

**FBIS****DAILY REPORT  
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U.S.-SOVIET CONTENTION IN MIDEAST DISCUSSED

HK190417 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 15 Dec 86 p 28

["Special Dispatch" from Cairo by Chen Ruining (7115 3843 1337): "A Trial of Strength Between the United States and the Soviet Union in the Middle East"]

[Text] During 1986 the contention for the Middle East between the United States and the Soviet Union has been increasing steadily. The United States has made continuous efforts to maintain the advantage that it won there. Instead of following its past ossified foreign policy, the Soviet Union has adopted some flexible tactics in an attempt to extricate itself from a passive position.

The principal U.S. practice is to strike blows at the Soviet-backed radical countries such as Libya and Syria by means of opposing terrorism, while making every effort to win over Egypt, Jordan, Morocco and other moderate countries and to encourage them to develop relations with Israel, in an effort to maintain the U.S. status of monopolizing the Middle East peace process and to exclude the Soviet Union. In the Gulf region, the United States employs two-faced tactics. In the open it supports Arab countries to thwart the threat of enlarging the scale of the present war by Iran, and in secret it has supplied weapons for Iran in an attempt to seek the forces willing to cooperate with the United States.

In March and April, the United States twice launched air raids against Libya on the pretence of punishing Libyan terrorists, but in fact it intended to get rid of Mu'ammarr al-Qadhdhafi. At the same time, it wanted to "remind" the Soviet Union through the air raid that it should not establish its missile bases on the south bank of the Mediterranean, otherwise the United States will destroy them by force. The United States adopted the same tactics with Syria. It also intended to deal blows at Syria by opposing terrorism but it left some margin. After Britain severed diplomatic relations with Syria, the United States seized the opportunity to exert pressure upon Syria. It stopped granting loans through import and export banks, abrogated the aviation agreement between the two countries, laid an embargo on strategic materials, and recalled its ambassador from Syria, but it did not use force. This is because the United States has to look to Syria for help in achieving the release of the American hostages, and because in order to devise solutions to the peace issue in the Middle East, it is still necessary to use Syria's influence.

Egypt is the only Arab nation which established diplomatic relations with Israel. However, it froze the relations in 1982 when Israel intruded into Lebanon, thus entering into a state of "cold peace." To give a play to the role of Egypt in the course of peace in the Middle East, this year the United States has time and again sent Assistant Secretary of State Murphy to shuttle between Israel and Egypt. Finally, the two countries thawed their relations and signed an agreement on resolving the Taba Issue through international mediation. This was followed by negotiations between Egyptian President Mubarak and Israeli Prime Minister Peres, agreeing to improve relations between the two countries and to have Egypt send its ambassador back to Israel.

With the United States acting as go-between, at the end of July this year, Prime Minister Peres visited Morocco to hold talks with King Hassan on Arab-Israeli conflicts. No agreement was reached but extensive views were exchanged. As a result, Morocco has become another Arab nation to have held direct talks with Israel. Following the talks, only Syria severed diplomatic relations with Morocco, and the reaction of other Arab nations was moderate. This is quite different from the situation in 1979, when many Arab countries broke diplomatic relations with Egypt after the late Egyptian President Anwar as-Sadat made peace with Israel.



No doubt, the United States is satisfied with the development. It hopes the development will pave the way for promoting Israel and Jordan to hold direct talks.

In his July visit to Jordan, U.S. Vice President George Bush tried hard to persuade Jordan to hold direct talks with Israel without the participation of the PLO. However, King Husayn of Jordan rejected the proposal of holding direct talks in view of the opposition of the Arab world and the Palestinian people living in Israel-occupied areas, and because he thought that the talks could hardly lead to the recovery of the occupied areas on the West Bank of the Jordan River. King Husayn reaffirmed that the PLO was the sole legitimate representative of the Palestinian people.

The tactics adopted by the United States on Iran are to exert pressure on it in the open and rope it in secret. The Reagan administration on the one hand shouted that Iran's escalation of its war with Iraq would threaten the security of the Gulf nations and called for laying an embargo of weapons on Iran, but on the other hand, it maintained secret contracts with the regime and it sold a total of \$100 million worth of weapons to Iran through Israel and other countries. Ronald Reagan called the secret sale of arms a "risky gamble." Iran holds a special and important place in the contention between the United States and the Soviet Union. It is rich in crude oil, controls the Straits of Hormuz, is the underbelly of the Gulf area, and is close to the Soviet Union. In order to seek forces which can cooperate with the United States in Iran at an early date, the Reagan administration did not have any scruples about making secret contracts with Iran for arms sales behind the back of its allies, the U.S. Congress, and the American people. This has aroused a great disturbance in the United States and among its allies. Iran is still its same old self and does not show respect for the United States.

The United States has put a lot of work into the Middle East, but very little has been achieved. It attempts to control the Middle East peace process by casting the Soviet Union aside. However, with the support of the United States, Israel has refused to recognize the PLO and to withdraw its troops from occupied territories. This has afforded the Soviet Union an opportunity for squeezing itself into the Middle East peace process.

Soviet diplomats in the Middle East have disclosed that after assuming office, Gorbachev criticized the Soviet Ministry of Foreign Affairs for its past policies toward the Middle East and called for adopting more flexible tactics to contend with the United States in an attempt to regain the initiative.

In 1986 the Soviet Union repeatedly sent senior officials to Syria, Egypt, Jordan and the Gulf nations, reiterating its proposal put forward in July 1984 for the convocation of an international conference on Middle East peace under the auspices of the permanent members of the UN Security Council in a bid to break down the U.S. monopoly of the process of peace in the Middle East. The Soviet proposal has been accepted by Arab countries, including Syria, Egypt and Jordan, as well as the PLO.

The Soviet Union also took a more flexible approach to its relations with Israel. After breaking off diplomatic relations with Israel for 19 years, the Soviet Union put forth a proposal for restoring consul-level relations with Israel. For this the two countries held negotiations in Helsinki last August. At the meeting, Israel insisted that the issue of the Soviet Jews' emigration should be discussed, and this demand led to the failure of the negotiations. After that, the two sides continued to maintain some contact. This shows that the Soviet Union still wants to have dealings with Israel so as to win more say in the Middle East peace process.

The Soviet Union is also carrying out all-round diplomacy in the Middle East. It has established diplomatic relations with the United Arab Emirates and the Sultanate of Oman so as to expand its sphere of influence in the Gulf nations. In Lebanon, it not only maintains relations with various Muslim factions that it supports, but also has some with various Christian factions. In the past, Moscow opposed the stationing of UN peace troops in Lebanon, but it has now changed its stand to support this.

Generally speaking, the Soviet Union will not retreat from the Middle East. Due to the containment of various difficulties at home and abroad, it cannot take too much initiative in the handling of Middle East affairs. The United States, on the other hand, is trying to maintain its advantageous position in the Middle East but cannot settle the Middle East issue alone. No matter what action it is going to take, the United States always maintains a bottom line, that is, not to evoke any direct conflict with the Soviet Union. It seems that the stalemate in the Middle East will continue, and the turmoil and unrest in this region will also continue.

#### XINHUA VIEWS UNDERSTANDING BETWEEN TURKEY, U.S.

OW161329 Beijing, XINHUA in English 1152 GMT 16 Dec 86

[News Analysis: Better Understanding Achieved Between Turkey, U.S. (by Hua Youzhong)]  
-- XINHUA headline]

[Text] Ankara, December 15 (XINHUA) -- The extension of a U.S.-Turkey defense agreement signed in 1980 for another five years and the initialing of an ad-memorandum accord between Turkey and the United States Friday are seen as a better understanding between the two nations.

At a press conference Saturday, Turkish Prime Minister Turgut Ozal described as "satisfactory" the results of the negotiations between the two countries on the Defense and Economic Cooperation Agreement (DECA).

Turkish official sources said Turkish Foreign Minister Vahit Halafoglu will go to Washington next month to sign the ad-memorandum accord formally with his U.S. counterpart George Shultz.

The accord, reached after a year-long debate between the two nations, is the product of compromise thanks to concessions from both sides.

Both Turkish and U.S. officials disclosed that the United States promised that 312 million of the total 490 million U.S. dollars in aid to Turkey in the 1987 fiscal year beginning in October this year will be in military grants. The remaining sum of 178 million will be in the form of credit, but at a low interest rate.

In addition, Turkey will receive about 300 million dollars worth of U.S. military hardware, including 40 F-4E Phantom aircraft.

Besides, the United States is reportedly going to offer Turkey 100 million dollars in non-military aid.

On Turkey's side, it gave up its demand for a formal treaty between the two countries to replace the existing DECA and agreed to extend it for another five years instead of two years as it had claimed.

Meanwhile, as a prerequisite for concluding the ad-memorandum accord, Turkey gave up its demands for the lifting of the restrictions and quotes the United States has imposed on Turkish exports, especially on textile and steel exports.

"We gave up something, but have obtained certain things. A better understanding has been achieved between our two countries. The road is paved, we will go ahead in the upcoming years," Ozal said.

But, some deputies of the opposition parties, the Social Democratic Popularist Party in Particular, accused Ozal of making too much concession during the negotiations, and claimed that Turkey has not got as much out of the agreement as it is entitled.

Observers here noted that the U.S. concern about the safety of NATO's southeast flank has led it to offer more aid to Turkey after tough bargaining.

Under the 1980 agreement, the United States has put up a dozen military installations in Turkey, two of which are sensitive listening posts that monitor Soviet military activities and nuclear tests.

Strategically, to strengthen relations with Turkey is in the interest of the United States. As one Western diplomat put it, "Turkey's good ties with major oil states are of importance to the U.S. policy. In the NATO context, the close working relationship between Turkey and the United States can be of more discreet advantage to the United States since it requires quiet communications with the Middle East countries, which are hostile to the American policy."

One councillor of the U.S. Embassy in Ankara told this reporter, "The United States needs Turkey just as Turkey needs the United States."

#### ZHAO ZIYANG MEETS OUTGOING, ARRIVING AMBASSADORS

OW171642 Beijing XINHUA in English 1430 GMT 17 Dec 86

[Text] Beijing, December 17 (XINHUA) -- Chinese Premier Zhao Ziyang had separate meetings at Zhongnanhai here this afternoon with outgoing Spanish Ambassador to China Mariano Ucelay de Montero and New Ugandan Ambassador to China William Wycliffe Rwetsiba.

U.S. INTERVENTION IN CENTRAL AMERICA EXAMINED

HK210438 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 19 Dec 86 p 6

["Year-End Feature" by Zhu Manting (2612 3341 1656): "The Crisis in Central America Deepens"]

[Text] Amid turmoil and unrest, Central America has survived one more year and the tense and deadlocked situation remains unchanged. Making no breakthrough in the process of peace and proceeding from the strategy of the so-called "low-intensity war," the United States has stepped up its intervention and threats against Nicaragua. As compared with last year, the crisis in Central America is worsening.

Having drastic rises and falls in negotiations for peace is a characteristic of the situation this year in Central America. At the beginning of this year, the eight Latin American countries of the Contadora Group and the Lima Group that was formed last year were determined to go all out to urge the Central American countries to sign an agreement before 6 June. The three new Central American governments of Costa Rica, Guatemala and Honduras all agreed to respond to the efforts of the two groups. Thus, the five Central American countries had frequent contacts and the atmosphere for peaceful negotiations was very intense for a while.

Nevertheless, while an agreement for peace in Central America directly affects the immediate interests of every country concerned, the Central American countries just could not reach a consensus on how to sign the agreement during the process of reviving the agreement. Nicaragua pointed out that since the United States would not promise not to support the anti-government forces in Nicaragua, it just could not sign the agreement. On the two crucial clauses of military exercises and arms control, countries like Nicaragua, Honduras, El Salvador, and so on always had divergent views. Later on, the Contadora group presented the five Central American countries a new revised draft of the agreement of peace which included new stipulations for the above-mentioned two clauses and was welcomed by Nicaragua. However, Honduras and Costa Rica once again turned it down. Therefore, they failed to sign the agreement before 6 June. Notwithstanding that, the Contadora Group and Lima Group again tried to resume the negotiations during a session of the UN General Assembly and the annual session of the Organization of American States but they had to give it up when no responses were received from some Central American countries.

Another characteristic of the Central American situation is that the contradiction between the United States and the Latin American countries on the peace talks in Central America has become more evident. In order to end the conflicts in Central America, the Contadora Group once asked the United States to stop supporting the anti-government forces in Nicaragua and resume talks with the Nicaraguan Government. The foreign ministers of eight Latin American countries jointly made a special visit to Washington with this request. However, the U.S. Government not only rejected the just demands of the Latin American countries but also submitted a bill providing \$100 million in aid to the anti-government forces in Nicaragua to its congress. Such an obstinate attitude by the United States has caused the dissatisfaction of almost all the Latin American societies and became the main obstacle in the process of peace in Central America.

On the Central American issue, the United States, on the one hand, expresses in words support for the Contadora Group but on the other hand, always adopts a tough attitude.  
[paragraph continues]



Starting from its second term of office, the Reagan government shifted the emphasis of its Central American policies from securing El Salvador to overthrowing the present regime in Nicaragua and constantly exerted political, diplomatic, economic, military, and other pressure on Nicaragua. It also used the anti-government forces in Nicaragua to threaten and meddle in Nicaragua. This year, the United States proposed a so-called "low-intensity war" strategy as a "new" pattern of intervention in the "hotspot" areas. This intervention policy of the United States has resulted in the constant deterioration of the relationship between the United States and Nicaraguan and is a dangerous factor in the present Central American situation.

Of course, the mediatory groups in Latin America will not give up their responsibility and it will also be very difficult for the United States to easily conduct direct military interventions due to the restriction of various factors. Therefore, as the deadlocked situation in Central America will not end promptly, it will consist of local conflicts and political negotiations.

#### U.S. 1974 TRADE ACT DISCRIMINATES AGAINST PRC

HK111436 Beijing GUOJI SHANGBAO in Chinese 1 Dec 86 p 3

[Article by Wang Yi (3769 3015): "The Discriminative Clause of the U.S. 'Trade Act of 1974' Is Not Conducive to Sino-U.S. Trade"]

[Text] The present U.S. trade law discriminates against China. The most discriminative clause of the U.S. trade law is the "Trade Act of 1974" which is the biggest obstacle to China's enjoying the bilateral most-favored-nation treatment, as well as multi-lateral most-favored-nation treatment after China is restored to its status as a signatory state to the GATT in the future.

Clause 402 of the "Trade Act of 1974" was formulated according to the "Jackson-Vanik Amendment." The clause stipulates that each year, the U.S. Congress should unilaterally carry out an examination of the immigration situation and immigration measures of the countries which implement the planned economy (including China) before deciding whether to continue to accord the specified countries most-favored-nation treatment. The "Jackson-Vanik Amendment" was passed by the U.S. Congress in December, 1973. The main content of the amendment is "not to accord the countries which restrict immigration most-favored-nation treatment." Although this amendment was aimed at the Soviet Union at that time, because of its vague definition, it has actually imposed restrictions on more countries rather than the Soviet Union alone. Because of this, the amendment has had a detrimental impact on Sino-U.S. trade. The detrimental impact of the amendment on Sino-U.S. trade can be seen in the following two aspects:

1. The amendment has had a detrimental impact on the bilateral most-favored-nation treatment between the United States and China. According to the "Sino-U.S. Trade Relations Agreement" signed on 7 July, 1979, the two countries will accord each other most-favored-nation treatment in terms of imports and export tariffs, various charges, domestic tax, customs declaration procedures, issuances of import and export permits and so on. However, the United States has unilaterally carried out Clause 402 of its "Trade Act of 1974" and carried out the examination of the most-favored-nation treatment between the United States and China every year, thus causing unstable factors and unnecessary obstacles to Sino-U.S. trade. In legal terms, the most-favored-nation treatment between the United States and China is an international commitment and the U.S. side has no right to unilaterally carry out the so-called "examination."  
[paragraph continues]



What the United States has done does not conform to the reciprocity principle of international law and the present status quo of Sino-U.S. relations.

2. The amendment is a potential obstacle to China's enjoying the multi-lateral most-favored-nation treatment after China is restored to its status as a signatory state to the GATT. The first clause of the first item of the GATT stipulates that the signatory states should unconditionally accord one another most-favored-nation treatment. However, the U.S. side has privately expressed that China is not a country which implements the market economy, and according to the U.S. "1974 Trade Act," the United States cannot unconditionally accord China most-favored-nation treatment. Even after China rejoins the GATT, it will still be impossible for China to be accorded such treatment. In this way, the U.S. "1974 Trade Act" has actually contradicted the first item of the GATT.

What is more, the U.S. "1974 Trade Act" is also an obstacle to China's enjoying the U.S. ordinary favored-nation treatment.

We think that the restrictions of the U.S. "1974 Trade Act" on China's enjoying multi-lateral most-favored-nation treatment of the GATT are not legally established. The reasons are:

1. The U.S. "1974 Trade Act" is a domestic act of the United States, which was formulated after the GATT. As the main signatory state to the GATT, the United States should have made its domestic act conform to, and not contradictory to the international commitment (the unconditional most-favored-nation treatment) of the GATT.

2. Suppose the act had existed before the GATT, still, the United States should not have regarded and retained the "grandfather clause" of the "temporarily applicable protocol" as the "current legislation." This is because Clause 402 of the U.S. "1974 Trade Act" contradicts the first item of the GATT, not the second part of the GATT that Clause 402 of the U.S. "1974 Trade Act" should not be retained as the "current legislation."

3. The first clause of the first item of the GATT stipulates that the "general most-favored-nation treatment" should be "immediately and unconditionally" accorded to all the signatory states. However, the United States has imposed restrictions on multi-lateral most-favored-nation treatment by taking whether the countries concerned "have imposed restrictions on immigration or not" as the precondition, thus violating the key item of the GATT and deviating from its own international commitment. The United States should not unilaterally impose restrictions on the implementation of the international agreement on the pretext of its domestic legislation.

4. China is one of the founders of and one of the signatory states to the GATT, so it is that China will be restored to its status as a signatory state to the GATT, and not that China will "join" or "rejoin" the GATT. The U.S. side still uses the "mutually unapplicable" method provided by the 35th item of the GATT to deal with China and has reservations on the item in the protocol on restoring China's status as a signatory state to the GATT, which says that China should be unconditionally accorded most-favored-nation treatment. China's interests as a founder of and a signatory state to the GATT will be seriously harmed, which will bring about serious consequences to multi-lateral Sino-U.S. trade. This will hardly be acceptable to China, and will also be contradictory to the wishes of both the Chinese people and the American people.

HUANG HUA MEETS VISITORS FROM JAPAN 16 DEC

OW160920 Beijing XINHUA in English 0724 GMT 16 Dec 86

[Text] Beijing, December 16 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, met here today with Masamitsu Oishi, member of the Japanese House of Representatives, Yuko Murofushi, administration director of the Japan-China Food Circulation Development Commission, and their party. The Japanese visitors arrived here December 14 as guests of Beijing University.

ZHAO ZIYANG MEETS JAPANESE ECONOMIC ADVISER

OW171356 Beijing XINHUA in English 1322 GMT 17 Dec 86

[Text] Beijing, December 17 (XINHUA) -- Chinese Premier Zhao Ziyang met here today Masanori Ito, adviser to the Nomura Securities Corp. of Japan. Ito, who is also adviser to the Economic Management Research Center of China's State Economic Commission, told Zhao his view on issuing more bonds and shares in China.

Zhao expressed appreciation for Ito's proposal and asked Chinese officials present to study the proposal.

WU XUEQIAN MEETS JAPANESE CONSTRUCTION GROUP

OW201116 Beijing XINHUA in English 1108 GMT 20 Dec 86

[Text] Beijing, December 20 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met Toichi Takenaka, president of the Takenaka Construction Corporation, and his party here today. The Japanese visitors have come here specially for signing the contract and regulations concerning a Sino-Japanese joint venture, the Beijing International Club.

PYONGYANG CITY DELEGATION LEAVES LIAONING

SK230121 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 22 Dec 86

[Text] The five-member delegation of foreign affairs personnel of the city of Pyongyang, led by (Yi Pyong-kuk), director of the Foreign Affairs Bureau of the Pyongyang City Administrative and Economic Guidance Committee of Korea, concluded its friendly visits in the province's cities of Shenyang, Dalian, Anshan, Dandong, and Liaoyang and left Dandong City for home on the afternoon of 22 December.

FANG YI MEETS DPRK SCIENCES ACADEMY DELEGATION

OW221050 Beijing XINHUA in English 1044 GMT 22 Dec 86

[Text] Beijing, December 22 (XINHUA) -- State Councillor Fang Yi met a delegation from the Academy of Sciences of the Democratic People's Republic of Korea (DPRK) led by its Vice-President Professor Pak Yong-hyop here this afternoon.

Earlier, the delegation signed a scientific cooperation plan for the year 1987-1988 with the Chinese Academy of Sciences. In accordance with the plan, the Chinese Academy of Sciences will start to accept trainees sent by the DPRK Academy of Sciences.

LIU SHUQING, LAO DEPUTY FOREIGN MINISTER TALK

OW222022 Beijing XINHUA in English 1516 GMT 22 Dec 86

[Text] Vientiane, December 22 (XINHUA) -- Visiting Chinese Deputy Foreign Minister Liu Shuqing and his Lao counterpart Khamphai Boupha held talks here today on relations between the two countries.

Chinese sources who participated in the [word indistinct] of the two deputy foreign ministers recalled the traditional friendship between the two countries and expressed their common desire to improve the relations on the basis of the five principles of peaceful co-existence.

Khamphai said that the abnormal relations between the two countries in the past eight years is not good for the people of the two countries nor for the peace in Asia.

Laos attaches importance to the improvement of relations between the two countries, he said, adding restoration and development of relations with China accords with the desire of the two peoples.

Liu told Khamphai that he hoped the two sides will look forward so as to find ways of improving their relations. The Chinese delegation has come for improved relations and friendship, he said. China on its part will make efforts to this end, he added. The talks proceeded in a friendly and sincere atmosphere.

POLITICAL SITUATION IN PHILIPPINES REVIEWED

HK190711 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50 15 Dec 86 p 31

[Special dispatch from Manila by Wang Yongsun (3769 3057 5549) and Jin Meifang (6855 2734 5364): "Moves To Stabilize the Political Situation in the Philippines"]

[Text] Philippine President Corazon Aquino recently reshuffled the cabinet to stabilize the situation in the country, thus creating favorable conditions for solving the economic crisis and other problems. She said that the members of the new government and people would bear the responsibility for the progress of the country and make contributions to it.

On 23 November President Corazon Aquino requested all members of the cabinet to resign. She first accepted Defense Minister Enrile's resignation and appointed Ildefonso Rafael, vice minister of defense, as the new defense minister. Then she dismissed and replaced several ministers.

What directly prompted President Corazon Aquino to take this action was that some military officers who have close relations with Enrile were in collusion with some pro-Marcos people of the New Social Movement, the former ruling party, and attempted to launch a coup to overthrow the Aquino Government.

The president's spokesman, Benigno, announced that with the support of a handful of military officers loyal to Enrile and some followers of the former president, Marcos attempted to occupy the National Parliament building, to forcibly hold the National Assembly, which had been dissolved, to announce former chairman of the parliament as the acting president, to force President Aquino to step down, and to hold a new presidential election.

President Corazon Aquino was supported by Armed Forces Chief of Staff Ramos and most officers and soldiers. Reportedly, on the morning of 23 November, intelligence agents dispatched by Ramos to those who engineered the coup knew about the coup scheme of Enrile and his like. Meanwhile, Ramos's subordinates also noticed unusual military moves. Therefore, Ramos immediately issued an order to carry out the "anti-coup scheme." He sent troops to strengthen the defense of the presidential house and to protect government radios, news agencies, and other mass media organizations; he also dispatched troops to the parliament building to arrest those who were going there to attend a meeting. The same evening, he held an emergency meeting of commanders of the Navy, Army, Air Force, and security force and other high-ranking officers to discuss countermeasures. Most high-ranking officers attending the meeting expressed their support for President Corazon Aquino and opposed the coup. Ramos then issued an order to the armed forces: All army units were to execute his orders alone and were prohibited too from executing any orders issued by the defense minister, the security officer of the Ministry of Defense, or Enrile's followers.

Enrile's coup scheme was thus smashed. Mrs Corazon Aquino said in a television speech: "Armed Forces Chief of Staff Ramos adopted precautionary measures to deal with the reckless actions of some people in the Army."

During the 9 months since the establishment of the Aquino Government, Enrile and the president shared different political views. Enrile opposed the government's policy to seek a "peaceful settlement" with the Philippine Communist Party and draft of the new constitution. Their contentions became sharper and sharper. Later on, he began publicly attacking the government almost every day. He threatened the president by openly requesting the president to dismiss some minister, to adopt harsh measures to deal with the Philippine Communist Party, and to hold a meeting of the previous National Assembly. He even went so far as to announce that the current government was illegal and called for abrogating the draft of the new constitution and for holding a new presidential election.

In an interview with a Japanese reporter at the end of October, Corazon expressed her strong attitude. She said: "I cannot agree with the Defense Minister's demand for abrogating the draft of the new constitution and for holding a meeting of the previous National Assembly." Before that, Mrs Corazon Aquino repeatedly showed tolerance toward Enrile's words and deeds. Not only had she never criticized Enrile publicly, but she said time and again that she had good relations with Enrile. She also had a secret talk with Enrile and made some concessions to win his cooperation.

According to some people here, Enrile had been thinking all along of becoming president. But the draft of the new constitution stipulates that the tenure of office for a president is 6 years and that the tenure of office of the current president will expire in 1992. Enrile was anxious to become a president and could not wait. He attacked the president and government in order to cause the collapse of the current government. After his secret talk with the president, Enrile ceased to attack the president publicly and did not talk to reporters. But there were more and more rumors about his scheme to engineer a coup.

After the coup scheme was exposed on 23 November, President Corazon Aquino took a resolute action to request all members of the cabinet to resign and removed Enrile from his post. Corazon Aquino's move was welcomed and supported by people from all circles in the country. Thousands upon thousands of people held one rally after another in Manila to express their support for the president and the draft of the new constitution. Foreign countries also had good reactions to this. A spokesman for the U.S. State Department announced that the Reagan administration "resolutely and unequivocally" supported the Philippine Government led by President Corazon Aquino.



The political situation was unstable in the Philippines. In the recent 2 or 3 months in particular, murders, kidnappings, explosions, and robberies occurred time and again. Sometimes there were rumors about a coup. Public opinion here believes that the action taken by the president marks "a new turning point" in the political situation of the Philippines. Some people hold that the above mentioned incidents were more or less related to Enrile and his subordinates. They were the main cause for the unstable political situation. A Manila newspaper says that Enrile's dismissal and the failure of the coup scheme have paved the way for a stable political situation. President Corazon Aquino recently announced that if the draft of the new constitution is adopted and approved by the votes of citizens in February of next year, a parliamentary election will be held on 11 May next year.

Others hold that Enrile's dismissal might gradually stabilize the domestic situation to a certain extent, but the president still faces many problems. Also Enrile has had a relationship with the Army for 20 years and is still influential in the Army and its political circle. Enrile and the Army and Marcos' followers are two forces which may combine to fight continuously against the Aquino government, or even risk desperate acts. This possibility cannot be excluded. How the situation in the Philippines will develop still merits people's attention.

#### THREE PRC DELEGATIONS ARRIVE IN BURMA 17 DEC

OW171657 Beijing XINHUA in English 1530 GMT 17 Dec 86

[Text] Rangoon, December 17 (XINHUA) -- A writers' delegation, a rural economic study delegation and a petroleum study group from China arrived here this afternoon for goodwill visit and study in Burma.

The Chinese Writers' Delegation is the first writers' group to visit Burma since the end of 1960s. During their two-week stay, the Chinese writers will tour Mandalay, Maymyo, Pagan and Taunggyi, and will hold an informal discussion with Burmese writers.

The Rural Economic Study Delegation will stay in Burma for two weeks to study rural economy. The Petroleum Study Group will chiefly study heavy oil.

#### SINO-THAI ECONOMIC COMMITTEE'S MINUTES SIGNED

OW190801 Beijing XINHUA in English 0737 GMT 19 Dec 86

[Text] Beijing, December 19 (XINHUA) -- A minute on the agreement of the second meeting of the China-Thailand Government Economic Cooperation Committee was signed here this morning. Lu Xuejian, vice-minister of foreign economic relations and trade, and Praphat Limpaphan, Thai vice-minister of foreign affairs and head of the visiting Thai Government Economic and Trade Delegation, signed the minute on behalf of their respective governments.

The minute says that during the meeting, the two sides reviewed satisfactorily the development of bilateral economic and trade cooperation in 1986. They also broadly exchanged views on expanding new scopes and ways for the cooperation. According to the minute, the two sides reached an agreement on the trade target of 400-500 million U.S. dollars for the year of 1987. They also encouraged diversification of bilateral trade, such as barter and countertrade as supplements to the existing commerce trade on the basis of freely convertible currency. A protocol on import and export commodities for 1987 between the two countries was also signed at the same time.



'YEAR-ENDER' NOTES IMPROVED PRC-E. EUROPE TIES

OW121902 Beijing XINHUA in English 1614 GMT 12 Dec 86

["Year-Enders: A Year of Remarkable Progress in Relations Between China and East Europe" -- XINHUA headline]

[Text] Beijing, December 12 (XINHUA) -- Visits to China by Polish leader Wojciech Jaruzelski and Democratic German leader Erich Honecker this year marked a conspicuous development in relations between Eastern Europe and China.

The vice premiers of Hungary, Czechoslovakia, Poland and Bulgaria also visited Beijing.

Chinese Foreign Minister Wu Xueqian and vice chairman of the Standing Committee of the Chinese National People's Congress, Liao Hansheng also travelled to Eastern Europe in May and September respectively.

The high-level and frequent contact indicated a new stage in the relations between China and Eastern Europe which slid to a low ebb following the deterioration of Sino-Soviet ties in the 1960s.

The rapid development is in a sense both natural and inevitable. Pursuing an independent foreign policy and abiding by the principles of peaceful co-existence, China attaches great importance to the development of friendly relations with all countries. In its relations with the socialist countries in East Europe, it fully respects the domestic and foreign policies these countries follow in accordance with their actual conditions and interests.

The five East European countries have shown a strong desire to cooperate with China on the basis of equality and mutual benefit.

In recent years, economic relations between China and Eastern Europe also developed quickly. For example, trade between China and Poland increased by five times this year compared with 1982. Last year, Chinese Vice Premier Li Peng visited the five East European countries where he signed trade agreements with Poland, Hungary, Czechoslovakia and Bulgaria for 1986-1990.

In science and technology, cooperation has covered key sectors in their national economies. The East Europeans have shown interest in China's recent accomplishments in science and technology which they want to introduce into their countries, while China can learn advanced production techniques from these countries.

During the Democratic German leader's stay in Beijing, Honecker and Chinese leader Deng Xiaoping agreed that the question was not to restore relations between the German Socialist Unity Party and Communist Party of China, but rather to further the development of such relations.

It is expected that China's relations with the East European countries will grow with increased intensity as they both are working for the safeguarding of world peace while developing their socialist economies.

ELECTRONICS DELEGATION MEETS GDR'S STOPH

OW050138 Beijing XINHUA in English 0135 GMT 5 Dec 86

[Text] Berlin, December 4 (XINHUA) -- Democratic German Prime Minister Willi Stoph today met with a delegation from China's Electronics Industry Ministry led by its Minister Li Tieying.

Stoph briefed the Chinese visitors on his country's economic development and achievements made in the field of micro-electronics. He said that the two countries should further promote their cooperation in electronics industry.

Chinese Ambassador to Democratic Germany Ma Xusheng was also present at the meeting. The Chinese delegation arrived here Monday for a visit at the invitation of Democratic German Minister for Electrical Engineering and Electronics Felix Meier and will leave for home tomorrow.

ELECTRONICS MINISTER MEETS HUNGARY'S MARJAI

OW270350 Beijing XINHUA in English 0222 GMT 27 Nov 86

[Text] Budapest, November 26 (XINHUA) -- Hungarian Vice-Premier Jozsef Marjai today met visiting Chinese Minister of Electronic Industry Li Tieying. Marjai discussed with the guest about trade and cooperation between Hungary and China.

The Chinese delegation arrived here on November 21 for a visit at the invitation of Hungarian Minister of Industry Laszlo Kapolyi. The Chinese toured some electronic companies and factories. The delegation left [as received] Hungary later today for Czechoslovakia.

HUNGARIAN FOREIGN MINISTER ON RELATIONS WITH PRC

OW210414 Beijing XINHUA in English 0251 GMT 21 Dec 86

[Text] Budapest, December 20 (XINHUA) -- Hungary today approved the 1987 state budget which is expected to provide some 62.2 billion forint (about 1.3 billion U.S. dollars) in subsidies for commodities. Addressing the two-day winter parliament session which closed here today, Hungarian Minister of Finance Istvan Hetenyi said that the state revenues will be 606.9 billion forint (about 12.6 billion dollars) and the expenditure 650.7 billion (about 13.5 billion dollars) next year, showing a deficit of 43.8 billion forint (about 910 million dollars). The budget gives priority to helping the restructure of the Hungarian economy, encouraging the use of new achievements of science and technology and increasing exports, Hetenyi said.

The parliament also heard a report by Hungarian Foreign Minister Peter Varkonyi who said that Hungarian-Chinese ties are getting normalized. Economic, cultural, scientific and technological cooperation between Hungary and China has been increasing, Varkonyi said. Hungary and China hold similar views toward major world issues, primarily on disarmament and security, he pointed out. The Hungarian foreign minister also stressed the importance of continuing political dialogue with advanced capitalist countries and cooperating with these countries.

XINHUA 'YEAR-ENDER' ON CENTRAL AMERICA

OW170426 Beijing XINHUA in English 0206 GMT 17 Dec 86

["Year-End: "Uphill Peace Efforts for Central America (by Hu Tairan)" -- XINHUA headline]

[Text] Panama City, December 17 (XINHUA) -- 1986 saw war shadows loom even larger over Central America, one of the world's trouble spots, setting back peace efforts as a result of recurring conflicts and outside intervention.

Over the past year, peace forces with the four-nation Contadora Group have been striving to reach political solutions to conflicts in the region in the absence of outside interference.

Though effective in preventing conflicts from escalating, the peace process has suffered repeated ups-and-downs because of the region's complicated economic and social situation and conflicts of interest fuelled by outside intervention.

At the start of 1986, the peace process was at a standstill. A peace draft worked out by the Contadora Group called "Act for Central American Peace and Cooperation" has been shelved since late last year due to differences among countries.

The Contadora Group travelled through Latin American nations and together with its supportive body, the Lima Group, issued a "Caraballeda Statement," reiterating their determination to press ahead with peace talks. As a result, the peace talks reopened four months ahead of the six-month limit.

From March to May, the Contadora Group succeeded in bringing together the five Central American countries to discuss arms reduction and a ban on international military exercises in the region.

During a summit meeting in May, leaders of the five countries pledged their backing for the Contadora Group again, and expressed a shared desire to sign the peace pact. However, they failed to resolve their differences.

Peace talks were played down according to some Central American countries following missions by high-ranking U.S. Government officials there. Some countries even refused to accept a new version of the Contadora-proposed draft, bringing the peace talks to a halt again. Tensions continue to reign.

The inauguration ceremony of Colombia's new president in August offered an opportunity for the Contadora leaders to meet again. Peace efforts were revived, but to no avail.

Leaders of the Contadora and Lima Groups, while attending the 16th regular session of the Organization of American States in mid-September, urged the Central American nations to stave off outside intervention and reactivate the peace process. They rejected any solution made at the cost of the people's right to self-determination and the principle of non-interference.

This was followed soon by the eruption of armed border clashes between Nicaragua and Honduras, pushing the situation into a deeper abyss.

The fluctuations of the Central American situation go hand in hand with Nicaragua's dispute with the United States. The U.S. blames the Soviet Union for sending arms and military advisors to Nicaragua in what it terms as a menace to this "strategic focal point" vital to its security.

In a policy statement in March, U.S. President Ronald Reagan listed Nicaragua and Central America as one of the strategic focal points in its global "limited rollback" strategy against the Soviet Union.

Under such a guideline, the United States has ordered an embargo on Nicaragua, coupled with stepped-up political and military pressures, and supports Nicaragua's anti-government forces in their operations in the border areas of Honduras and Costa Rica.

In October, Reagan okayed the congress-approved bill to provide 100 million U.S. dollars in aid to Nicaragua's anti-government forces, or the contras. Last month, the U.S.-backed contra leaders met in San Jose in a bid to knock together a "provisional government."

In recent border clashes between Nicaragua and Honduras, the United States openly dispatched helicopters to ferry troops for Honduras, with the commander-in-chief of its Southern Command, John Galvin, taking up on-the-spot direction.

All this explains why tensions in Central America have been mounting unabatedly and peace has been blocked time and again.

Peace nevertheless represents the shared desire and basic interests of the Central and Latin American states. The sympathy and support they give to the Contadora Group have given it new dynamism, and at the same time curbed elements causing new troubles in the region.

Looking ahead, tensions will continue in Central America and the peace process carries great risks. The Contadora Group however appears set to carry on mediation in the middle of the region's simmering trouble.

#### ENVOY SIGNS ECONOMIC COOPERATION ACCORD IN PERU

OW172353 Beijing XINHUA in English 1949 GMT 17 Dec 86

[Text] Lima, December 17 (XINHUA) -- Chinese Ambassador to Peru Yang Mai, and director of the Peruvian National Institute of Planification, Javier Tatalean Arbulu [name as received], signed a protocol on economic and technical cooperation Tuesday.

The protocol is to define the use of the remainder of the credit stipulated in the economic and technical cooperation agreement signed by China and Peru in 1971 in Beijing.

According to the protocol, the Chinese Government will assist the Peruvian Government in implementing the following projects: The building of 80 irrigation wells in the Puno Province, covering 4,000 hectares; construction of a cement plant with a vertical kiln that will produce 30,000 metric tons a year; the supply of medical equipment worth 500,000 pounds sterling (715,000 U.S. dollars) to outfit health centers; and Chinese technical assistance for the installation and management of the projects.



WAN LI VISITS HEFEI AFTER STUDENT PROTESTS

OW221237 Tokyo KYODO in English 1231 GMT 22 Dec 86

[Text] Beijing, Dec. 22 KYODO -- Vice Premier Wan Li has visited the University of Science and Technology at Hefei, Anhui Province, to promote dialogue with managers and students, reliable Chinese sources said Monday.

Students at that university first demonstrated in November for freedom and democracy.

Wan, Communist Party Politburo and Secretariat member, met with the president of the university, Guan Weiyan, and with the vice president, Fang Lizhi, asking them to tighten management and control.

Arguing for the independence of the university and freedom of academics, Fang condemned the party and government for their high-handed interventions into academic affairs, the sources said.

Fang, who the sources describe as the theoretical leader of the student movement, told Wan that the people will fight for democracy.

The vice premier opposed Fang's contention for academic independence, saying that universities cannot be separated from society.

Wan once served as the head of the Communist Party's Anhui provincial committee.

RENMIN RIBAO EDITORIAL ON STABILITY, UNITY

OW222034 Beijing XINHUA Domestic Service in Chinese 1805 GMT 22 Dec 86

[RENMIN RIBAO 23 December editorial: "Cherish and Develop the Political Situation of Stability and Unity"]

[Text] Beijing, 23 Dec (XINHUA) -- It has been 8 full years since the 3d Plenary Session of the 11th CPC Central Committee. These 8 years can be described as the best period since the founding of New China. These years enjoy political stability and unity; a sustained, stable, and coordinated economic growth; a brisk market; and a quite obvious improvement in people's living standards. The reform of the economic structure with emphasis on the cities is being carried out in an all-round way, the building of spiritual civilization is well under way, and socialist democracy and the legal system are being further improved. Despite the fact that we are still facing many new problems and difficulties on our advancing road, as long as we persist in carrying out reform and do things in a prudent manner, all of those problems and difficulties can be gradually solved. Everyone admits that the achievements during the past 8 years were not easily won from the mess following the 10 years of turmoil, notwithstanding the fact that we could not be perfect in every step of the reform and might even make some mistakes. The achievements are the results of joint efforts by workers, peasants, soldiers, intellectuals, youth and students, and all patriots of our country; the results of implementing the party's line, principles, and policies by the people of the whole country; and the results of consolidating and developing the political situation of stability and unity.



We must persist in carrying out reform and opening to the outside world and also adhere to the four basic principles and travel on the socialist road with Chinese characteristics. This is our firm and unshakable policy. No power can make us depart from this correct path that has been tested in practice and has the support of the people numbering hundreds of millions.

Looking back on the path that we have traversed, our most important conclusion is the following: The political situation of stability and unity is the key to the success or failure of our country's socialist modernization, and the most important guarantee for the reform and for opening to the outside world. The Chinese people, who suffered a lot during a decade of turmoil and have had a stable and happy life for 8 years, are capable of comparing the positive with the negative aspects and have become increasingly aware of the extreme importance of stability and unity. To cherish and develop this political situation of stability and unity is the common aspiration of the people in their hundreds of millions and the sacred duty of every citizen.

Reform is a deep-going revolution. In the course of the reform, it is normal that there should be new problems to be studied and solved, and there should be different views on concrete matters. With regard to these problems and views, it is necessary to benefit from the wisdom of the masses through discussions by way of normal democratic channels. At the same time, efforts should also be made to correct shortcomings in work and overcome bureaucracy and unhealthy tendencies. Both the party and government welcome criticisms and suggestions in this respect from the masses. However, if different views lead to extreme action, it will objectively affect stability and unity; affect other people's freedom of labor, work, study, and life; and interfere with the progress of construction and reform. Even if their intention is good, their action may lead to what they do not wish and may even be used by a few people who have ulterior motives and who want to see the world plunged into chaos.

Stability and unity demand that we pay a high price, and the overwhelming majority of Chinese people have had personal experience. The young people are our future and hope. We have the responsibility to explain this reasoning to them and clearly help them understand the situation and distinguish between right and wrong in order to enable them to grow in a healthy manner and work with concerted efforts in making positive contributions to the development of the excellent situation of stability and unity and to the cause of reform and construction.

#### DENG XIAOPING'S DAUGHTER ON DEMONSTRATIONS

HK230233 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 1

[By Lulu Yu and Jamie Walker]

[Text] At ease in bustling Hong Kong with her pearl earrings and Western-style clothes, the eldest daughter of Beijing strongman Mr Deng Xiaoping said yesterday she could not relate to China's defiant student protesters.

Miss Deng Lin said she appreciated their demands for better food and conditions but not for democratic reform.

"I don't understand the students -- they want democracy, but democracy is already on the way," she said. "Our society is becoming more liberal and all kinds of reforms are going on."

"Since the responsibility system was introduced, living standards have improved for the majority of the people, although, of course, some in the countryside remain very poor.

"What the leadership wants now is that the reforms be accepted by the public and continue in a stable environment, so everyone can get rich soon."

Miss Deng, 45, said she had been following the burgeoning student protest movement since arriving in Hong Kong last week.

Speaking from an office in the China Resources Building, she told how the lives of most Chinese had improved under her father's leadership.

She said: "We all want to be able to buy fish and meat in the market and invite a few friends home for dinner.

"This has already become possible. Things are very expensive in the market but at least they are available.

"We have to take things step by step because stability is essential for the reforms to succeed.

"It is important not only for China, but also for Hong Kong people and foreigners who want to do business with China.

"I can see some of the students' frustrations when they complain about poor canteen food and school facilities.

"It is perfectly all right to air grievances and make suggestions. Knowing the way things are managed in China, their demands for improvement are probably justified.

"But I find their demand for democracy rather one-sided. I also disagree with the way they express their dissatisfaction, if violence has indeed been used as reported."

Miss Deng said she was dismayed by the protest at Shenzhen University, close to the Hong Kong border, where violence flared during two days of protests.

She accused the protesters of being violent and warned they could not expect changes overnight.

As director of China's Oriental Arts Exchange Association, Miss Deng travels frequently.

"Our society is already very open -- my presence here as part of an unofficial cultural group testifies to it," she said.

"Artists can create without the kind of limitations and political interference that has been prevalent in the past.

Miss Deng provided a rare insight into the private life of her 83-year-old father who is attempting to lead a billion people into the 20th century.

Mr Deng, she said, is a surprisingly ordinary man with few idiosyncracies.

"He is not a dramatic character. Rather, he's more of an introvert, a man of few words and few desires," she said.

"His palate is not particular and his hobbies are few. He comes home most nights for dinner and goes for walks with his grandchildren in the morning.

"(At) other times, he is either swimming or playing bridge. That's really all he does."

Dinner in the Deng household is a grand, sometimes rowdy event.

Mr Deng hold court with his grandchildren at one table while his four grown-up children and their partners catch up on gossip at another.

Except for second son Mr Deng Zefang, who is studying for a PhD degree in Rochester, New York, the Deng family still live together.

Sisters Miss Deng Mao and Miss Deng Nan are employed in a trading company and the Technical and Scientific Institute.

"As children of a leader, we naturally attract some attention, even some special treatment, at home and abroad.

"But we do not see ourselves as special people and as long as we feel that way, we're not going to be entangled in favours and special deals," she said.

Miss Deng, who arrived on Friday for an exhibition of works by painters of the society that she heads, visited the Sung Dynasty Village, attended several banquets and did a little shopping on her own.

She said: "Almost no one recognised me. It's very nice to be able to do things on my own.

"I'm not too keen about Hong Kong. It's too crowded and too hectic."

#### DEMONSTRATIONS 'MAY BE PRECURSOR OF SHOW OF FORCE'

HK230225 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 2

[By David Chen]

[Text] Student demonstrations in Shanghai may be the precursor of a show of force from the hundreds of university campuses throughout China -- unless authorities snuff the glimmer of democracy that has inspired them.

This is the view of many China analysts who believe the authorities who promoted the display of "freedom of expression" and demands to hasten democratic reforms may well have created a time bomb.

The Government may also have realised this and an official statement that Shanghai students had beaten up more than 30 policemen could be an excuse for a clampdown.

Analysts said although the students had returned to their campuses, the situation remained volatile and it would take several days before a full assessment could be made.

Shanghai's new party secretary, Mr Rui Xingwen, and the new Mayor, Mr Jiang Zemin, now face a severe test of their commitment to reform in the way in which they handle the students.

Their most likely course of action would be a two-pronged approach -- to deal firmly with any unruly activities and to send senior officials to the many campuses to debate and convince the students of the state's determination to promote political reforms.

This course appeared to have been taken yesterday, with a ban on demonstrations, allegations of unruly student behaviour, the dispatch of thousands of police to the People's Park and City Hall, coupled by a soft approach expressing willingness to hold a dialogue with student representatives.

Shanghai's main newspaper yesterday attacked what it called criminals for making trouble during the past two days of student protests and criticized demonstrators for disrupting traffic and social order.

In a front-page story, WEN HUI BAO quoted an official of the city Government as saying the enthusiasm of students for reform was understandable, "but they should maintain stability and unity".

It added: "In the past two days, demonstrations have caused serious obstructions at major traffic centres, affected production and social order.

"Some criminals took the opportunity to make trouble.

"All these should bring our serious attention and concern."

A notice from the city's Municipal Police Security Bureau, reported by Shanghai Radio, called on citizens to "expose trouble-making and disrupting activities by a small number of people with ulterior motives and criminals in order to maintain public order.

The notice listed a number of banned activities and said those violating the provisions listed would be "severely punished by public security and judicial organs according to the seriousness of their individual cases and according to the provisions of the criminal law".

Authorities appear to have given their own notice -- they will have no alternative but to take decisive action if trouble continues.

The demonstrations and wall posters have put the authorities both central and provincial, to the test.

Until the middle of last week, they believed the demonstration were generally isolated.

The demonstration two weeks ago by students at the University of Science and Technology in Hefei, the provincial capital of eastern Anhui, was believed to have been engineered by a political faction that favours a more energetic reform program.

Enrollment in the university is almost exclusively reserved for the children of the elite, 90 percent of who are said to have the opportunity of further studies abroad in the United States, Canada or Europe.



It would be unlikely they would take to the streets on their own, risking the forfeiture of their future career, unless they were directed to do so.

The grievances aired by students of central China's Wuhan University were largely domestic, the students generally demanding redress of university rules which they claimed were unreasonable.

At Beijing University (Beida), students' discontent was reflected by wall posters only.

In September, however, they and students from other tertiary institutions took to the streets, ostensibly over the textbook issue.

But the protests quickly changed to a demand for a greater degree of democracy and liberty.

The Vice Mayor, Mr Zhang Baifa, had to spend a whole month on the campus to calm student feelings.

Senior party and Government leaders, including Mr Hu Qili, a former first secretary of the Communist Youth League, took turns to talk to the students.

Slowly and quietly, student sentiments were soothed.

However, if the Hefei demonstrations appear to have been orchestrated by certain elements, the Shanghai rallies were spontaneous, analysts said.

A China specialist, Mr T.L. Tsim, said this was reflected by two of the four demands they made -- that the authorities acknowledge the demonstrations as legal and that the participants not be arrested.

"If the demonstrations had been instigated by someone from above, the students would have known they had backing and would not have made such demands," he added.

The analysts also pointed out that student rallies in Shanghai had a uniqueness of their own.

Shanghai, the metropolis that was under foreign domination for about 100 years, had always been a hotbed for student agitation.

It was here that students, together with their Beijing and Tianjin counterparts, took to the streets in the famous May 4 Movement that gave birth to a new approach towards culture and literature.

Shanghai students were also at the forefront during the anti-Japanese war.

When the Chiang Kaishek Government was tottering in the late 1940s, Shanghai students played a major part in clamouring for a change.

During the Cultural Revolution they also played a leading part in promoting the radical ideas of Marshal Lin Biao and the so-called Gang of Four.



Fudan University, for instance, was the centre of radical cultural and literary activities for the Gang of Four when they were in power and it took Mr Deng Xiaoping many years to reverse the trend.

Shanghai as a whole was so "conservative" that the then party first secretary, Mr Chen Guodong, and the good-natured Mayor, Mr Wang Daohang, could hardly effect any changes and they had to be replaced 18 months ago.

Mr Rui and Mr Jiang have effected some reforms but because of the deeply entrenched bureaucracy, much remains to be done.

#### EDITORIAL ANALYZES STUDENT DEMONSTRATIONS

HK230507 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 18

[Text] As this newspaper pointed out months ago, something strange is happening in China. Politics are making the headlines again, and for the first time in 10 years, young people are on the march. What is to be made of the present unrest? One notes the size of the demonstrations, the amazing tolerance of the central authorities, the curious fact that the series of rallies seem almost orchestrated, having built up relentlessly to the Shanghai demonstrations over the weekend -- the biggest political display in China since the closing days of Cultural Revolution. These facts are noted, and observers can be forgiven for thinking that more is to come. But there is one thing about China on which one can be certain about, and that is nothing is ever quite what it seems.

The wave of student unrest and demonstrations for speedier political reforms may be interpreted several ways. One is that they have somehow been arranged or encouraged by reformist-minded elements in the top leadership of the government as a means of galvanising popular and obvious support for the political reforms needed to ensure the success of China's increasingly market-oriented economy. The other is that they are a spontaneous and genuine outburst of desire for political reform, springing from the students but possibly with the unspoken support of the urban masses (who have not benefited from the economic reforms quite as much as the rural population). Another is that the demonstrations' origins have been relatively trivial, such as poor canteen food or the quality of teaching, and have exploded from there because of dissatisfaction with the system. The truth probably lies somewhere in between.

The possible consequences may be profound; one has only to look back to the chaotic days of the Cultural Revolution to realise that. The decade when politicised youth run wild is not officially regarded as an aberration, a disaster. But are all those who unleashed the Red Guards totally discredited and impotent? Or are there still powerful purists in the party who regard the present tinkering as a betrayal of Marxist-Leninism?

History does not repeat itself, but it does have a tendency to go round in circles sometimes, and there are certain connections between the present unrest and the past. China has a history of using mass movements to achieve political ends, and students can point to a tradition of street activism that has been a venerated force for social change. For instance, 51 years ago the students of Beijing took to the streets in a famous protest against the spread of Japanese power: A movement now regarded as marking the resurgence of Chinese nationalism. It is no coincidence that the present protests began with a march on December 9 by students in Hefei, because it was the very day the anti-Japanese movement started in 1935.

Today, the students are calling for powerful political changes -- freedom of the press, a move towards democracy, more political power -- all things which the top leadership has been advocating but has been slow to move towards. The students have not challenged the legitimacy of the Communist Party, nor have they advocated a move away from the one-party state. But their outspoken demands, and the size and spread of the marches, must be disturbing to the cautious, and the elements of the debate which have emerged so far show that not everyone agrees with Mr Deng Xiaoping.

And uppermost in everyone's minds must be the fate of those hopefuls who in 1979 launched the short-lived Democracy Wall movement. Those dissidents, like the present student demonstrators, were tacitly encouraged. Then, when Mr Deng's leadership was secure, they were ruthlessly silenced -- ironically by the man who has done more than anyone to initiate reform and open China to the world.

If force is now used to crush the students, it would either indicate a titanic but silent power struggle at the top, or much wider dissatisfaction with the system than anyone suspected. If it is the latter, the students are testing the limits, and it is to be suspected that they have been almost reached. It seems unthinkable that the pragmatic leadership now in charge would entertain the remotest possibility of a new Cultural Revolution endangering the China they are building. If the protests continue, then Mr Deng's grip on the leadership is far less secure than we have been led to believe.

#### EDITORIAL SUGGESTS DEMONSTRATIONS 'ORCHESTRATED'

HK230353 Hong Kong HONGKONG STANDARD in English 23 Dec 86 p 6

[Text] The most ticklish question raised by the student protests in Shanghai is: How spontaneous were these demonstrations?

Did these disturbances spread across the country like a disease, with no political purpose or idealistic intent? Or were they carefully orchestrated as part of an ideological struggle?

Longtime China-watchers can cast their minds back over a lengthy history of social reorganization and ideological upheaval in the Middle Kingdom. But nothing has happened in the post-war years to equal the trauma produced by the Cultural Revolution of 1966 to 1976. And some observers of these latest protests are now raising the spectre of "a new Cultural Revolution" in China.

During those dark days, it will be recalled the unqualified slogan, "to rebel is justified," personally hallowed by Chairman Mao to arouse militant mass movements against his opponents throughout the country, was used by radical leftists to oppose those then in power at various levels of the administration.

Is history repeating itself? Or did these demonstrations represent nothing more than a desperate attempt by exasperated young intellectuals to draw attention to genuine grievances?

Some of these students have spoken of the drab, even deplorable, conditions under which they live. Others have complained of substandard food.

Others still may see themselves as pawns in the government's hands because they are aware that some of their compatriots are benefitting from recent social and economic reforms.

They look around and they see such people as taxi-drivers and restaurant-owners operating under near free-enterprises conditions. They read news stories about farmers who are making money.

Yet many of these same students are also aware that they themselves are likely to be stuck in petty government jobs that are arbitrarily assigned to them. They may have little or no choice about the work they do -- or the place they live -- after they graduate.

Many young intellectuals endorsed the call of First Deputy Prime Minister Wan Li for democratic progress.

The students also put forward numerous reformist proposals of their own. Unfortunately, these were largely ignored by the recently held Central Committee meeting. And it is hardly surprising that some young intellectuals feel short-changed by what they see as the timidity and tardiness of the much-vaunted Dengist advances.

If these students are genuinely calling for social and economic reforms they can by no stretch of the imagination be described as radical leftists of the type who participated in the Cultural Revolution.

And there is, surely, a certain irony in the mere suggestion that China's current leadership under Deng Xiaoping would take a leaf from the Great Helmsman himself and do what Mao did in the 1960's when he was losing power to men like Lin Biao.

Deng was, after all, himself a victim of the student demonstrations of 1966-77. And he knows only too well the chaotic consequences that can arise for the country when such protests lurch wildly out of control.

Nor does the situation exist today in which there are major factions within the Chinese leadership, with one group seeking to use one section of the people to hit out at its own enemies.

A dip into the archives reveals that in February 1957, in the wake of the Hungarian revolt, Mao Zedong announced his doctrine of free criticism under the slogan "let a hundred flowers bloom and a hundred schools of thought contend."

The period of free criticism began in May that year, but soon torrents of resentment expressed by the intellectuals alarmed the authorities in Beijing. By mid-June 1957 free criticism had been brought to an end, and simultaneously an anti-rightist campaign was launched with the purpose of weeding out opposition elements.

A similar clampdown seems to be taking place now. Student demonstrations have been banned in Shanghai. And armed police have cordoned off the city.

This action should not, however, be compared with the sudden, often confusing, policy shifts which marked the Mao era.

It is clear that the authorities in Beijing are alert to the need to prevent the student protests from being used by certain elements anxious to attack the progressive Deng regime.

It has been suggested that the reformist proposals put forward by young intellectuals were largely ignored at the Central Committee meeting because of opposition from conservative elements within the party.

Some cadres would undoubtedly like to block these reforms because they are entrenched in their positions and don't want to give them up. They don't want to be rendered redundant by social and economic advances.

Why should a textile factory, for example, need a resident party cadre if the emphasis is to be on production rather than dogma?

The current holders of such ideological appointment believe that the reformers are moving much too quickly. They would use any means they could to turn the clock back.

This also, perhaps, sheds a new light on Deng's comment earlier this month that there are many hurdles ahead in the implementation of political reform. And it will take time before they can be successful.

With the 13th party congress due to be held in the latter half of next year, the debate on democratic reforms may be rekindled with new passion and vigour.

But the reforms can only be retarded by student violence and unruly flare-ups. Opponents of the Dengist advances could use such upheavals as an excuse to hit out at the central government.

"See what happens," they could say. "You give them a little bit and they ask for the whole country."

The decision to ban student demonstrations in Shanghai can be seen as an attempt by the Beijing authorities to head off such criticism.

The clampdown on the young intellectuals may succeed in buying the Dengist reformers a little time.

But it is important that they use this time to speed up their reforms and to bring more democracy to China. Otherwise, they will run the risk of more flare-ups in the future.

The opponents of progress must not be allowed to turn the clock back.

#### RENMIN RIBAO ON INVESTMENT STRUCTURE READJUSTMENT

HK230803 Beijing RENMIN RIBAO in Chinese 18 Dec 86 p 2

[Commentator's article: "Both the Central and Local Areas Should Invest in Key Construction Projects -- New Thoughts on Speeding Up the Readjustment of the Investment Structure"]

[Text] How should we effectively readjust the investment structure and enhance the key construction project concerning energy, raw materials, and communications on the premise of bringing the investment in capital construction under control? This was an important question discussed at a national planning conference held recently.



Some specific measures that yielded results have been taken in recent years to readjust the investment structure. Nevertheless, the progress made is still limited. The reason is that the investment structure cannot meet the needs of the reform of the economic structure as a whole and that the "big pot" in the supply, transportation, and distribution of energy and raw materials is not yet smashed.

With the development of the reform of the economic structure, tremendous changes have taken place in the distribution setup of the national income. In 1985, income of the localities and enterprises not included in the budget totaled over 15 million yuan, an increase of 170 percent over 1980. The proportion of ex-budgeted income to budgeted income increased from 51 percent to 83 percent. If this trend continues in the next few years, ex-budgeted income will probably approach or exceed budgeted income. The changes in the distribution setup have resulted in diversification of investment. As a result, the scope of budgeted investment has been limited, but the tasks of the state to build key construction projects have not been alleviated. The annual investment in key construction projects accounts for around 60 percent of the budgeted investment. Although local areas and enterprises have made investment in the construction of energy, communications, and raw materials projects in recent years, the amount is still limited compared with their investment in processing industry and nonproductive projects. This aggravates the contradiction between supply of and demand for energy, raw materials, and communications. To put an end to this state of affairs, it is necessary to reform the investment structure and abolish the traditional practices of the state monopolizing the construction of energy, raw materials, and communications projects so that all localities and enterprises will concern themselves with the construction of the key projects and so that a new structure will take shape in which each sector will reasonably undertake responsibility in building key construction projects. The state will be responsible for the construction of a small number of large-scale basic industries and facilities, while the construction of some key projects will be undertaken by local areas and enterprises or be built on a joint basis.

While preparing investment plans for the next year, both the central and local areas should uphold the spirit of reform and embody the requirements of this new thought. While making investments, the local areas should curtail the construction of processing industry and use more funds to develop the key construction projects of energy, communications, and raw materials. Many localities have now gone in for large-scale construction and built luxurious guesthouses, hotels, amusement parks, sanatoriums, "centers," and buildings. Some localities have gone in for the construction of scenic spots that imitate ancient cities or streets. Unless we put an end to such practices which deviate from the country's current capacity, the readjustment of the investment structure, the stress on key construction projects, and the invigoration of our economy will all be empty talk.

It is a complicated task that covers much ground to reform the investment structure and smash the "big pot" in the construction of key projects. It is not enough to merely have new thoughts. We must have a full set of methods that can attract various quarters. Only in this way can we arouse the initiative of various localities and enterprises for building key construction projects and make headway in readjusting the investment structure.

'STEADY DEVELOPMENT' OF PRC ECONOMY IN 1986 NOTED

OW231140 Beijing XINHUA in English 1118 GMT 23 Dec 86

[Text] Beijing, December 23 (XINHUA) -- The year of 1986 has witnessed a "steady development" of China's national economy with continued growth in industry and a good agricultural harvest.

According to the State Statistics Bureau, the gross national income is expected to reach 770 billion yuan this year, an increase of seven percent over 1985.

Although the country's industrial growth rate has slowed this year, the total industrial output value is estimated at 980 billion yuan, up 8.7 percent over last year. By the end of November, 39 of the country's 100 major industrial products had met their annual quotas.

Statistics show heavy and light industries have developed in a co-ordinated way and their production structure has been well balanced. Output of coal, power electricity, iron and steel, cement and nonferrous metals has increased markedly. Difficulties in maintaining a steady supply of coal and cement have been eased.

The bureau reports big increases have also been registered in the production of market demand commodities, such as refrigerators, cameras, tape recorders and wrist-watches.

China's grain output is expected to reach 390 million tons this year, 10 million tons more than last year. Rural enterprises will generate a total output value of 330 billion yuan in 1986, exceeding this year's agricultural output value for the first time, said the statistics bureau.

Retail sales for the whole year are expected to reach 495 billion yuan, a rise of 15 percent over 1985. The average annual wage of urban workers will amount to 1,310 yuan while the average peasant's net income is estimated at 425 yuan, up 14 and seven percent over last year respectively, officials said.

In 1986, the growth rate of consumption fund is lower than that of last year, and the foreign trade deficit has been reduced. The price index of retail sales this year has been controlled at about six percent as against 8.8 percent last year.

The bureau says the scale of investment of capital construction has been brought under control this year and the country's 1909 key projects have been going on smoothly. By the end of November, more than 7.5 billion yuan had been saved by stopping or postponing the construction of 1,200 nonessential projects.

The bureau also reports China's suffered from rising prices of raw materials, fuel, power and transportation which have combined to increase production costs. The economy still cannot produce enough goods to meet consumer demands. Other problems such as poor management and higher energy consumption still exist. all these problems will slow the increase of state revenues.

GUANGMING RIBAO ON GROUP STOCK SYSTEM ARTICLE

HK221154 Beijing GUANGMING RIBAO in Chinese 13 Dec 86 p 3

[Article by Wei Kaiwu (7614 7030 2976) and Fang Hanting (2075 3352 1694): "Also Discussing the Group Shareholding System -- Exchanging Views With Comrade Chen Biwu"]

[Text] On 8 November 1986, GUANGMING RIBAO published Comrade Chen Biwu's article entitled "A Brief Talk on the Group Shareholding System" (hereinafter referred to as Chen's article for short). The assertion of Chen's article that the group shareholding system is the best way to realize social ownership has greatly inspired us. We deem it necessary, however, to discuss the methods for exercising the group shareholding system.

First, Chen's article confuses the concept of the group ownership system with that of the group shareholding system. The group ownership system is a collective ownership system of a capital-raising nature. Under this system, the assets of an enterprise or company belong to all members of the group and no one else has the right to allocate these assets. The method of developing the enterprise or company is decided by the group, and the operational and ownership rights of the enterprise or company are in complete unison. However, one prominent characteristic of the group shareholding system is the separation of the operational right from the ownership right. Under this system, the assets of an enterprise do not belong to the enterprise but to shareholders; in matters concerning operation, the enterprise has full flexibility but acts only as an agent; and the staff and workers (including the manager) of the enterprise are not the matters but the employees of the enterprise. Therefore, the system of dividing the assets originally owned by the state into three parts of shares held by the state, the enterprise, and the staff and workers is in fact a group ownership system because it does not bear the characteristic of enterprises under the stock system. The difference is that this group ownership system contains the state factor whereas the ordinary collective ownership system does not.

Second, Chen's article confuses the main composition of shares. The article stands for dividing state assets into three parts to be possessed by the state, the collective, and the staff and workers, thereby actually admitting that the enterprise holds its own shares. As an enterprise under the group shareholding system, the enterprise should not hold its own shares and therefore it cannot become a shareholder of the enterprise. It will become a nonstock enterprise if it holds its own shares, and this confuses the main composition of shares. But as a shareholder agent, this enterprise can become a shareholder of another enterprise by making investment in it. This investment is in essence still a shareholder's investment, the difference being that the investment has been expanded from its own enterprise to another enterprise.

Third, the article overlooks the difference between the entity and individuality of the ownership of the means of production. Chen's article says: "As members of the working class, staff and workers are entitled to possess their shares of state assets"; therefore, the "shares owned by the enterprise and its staff and workers should, naturally, be gratuitously released by the state." As we are aware, a citizen of a socialist country is, of course, entitled to possess his share of state assets. But public ownership of the means of production does not mean everyone's possession of the means of production but merely symbolizes a civil right that is realized in various forms of welfare and public consumption rather than by carving out public assets. [paragraph continues]



Therefore, although as a member of society a worker enjoys the right of public assets, this does not mean that he can possess all these public assets. In other words, ownership by the whole people does not mean ownership by enterprises, and still less does it mean ownership by individuals. If so, everyone would carve out public assets and there would not have been such a thing as public ownership. Therefore, employees of an enterprise will truly become the owners of the enterprise only when they buy the shares of the enterprise.

Fourth, the position of the state being the main investor remains unchanged. Chen's article says: The assets of an enterprise under the group shareholding system can be formed by dividing state assets. "Fifty percent of the shares of ordinary large and medium-sized enterprises should still belong to the state, 30 percent to the enterprise, and 20 percent to the staff and workers." As a matter of fact, the state still remains the main investor because the assets of the enterprise and its staff and workers still originate from the state, which occupies an absolutely superior position in the above proportion. We believe that the principle part of investment in an enterprise under the group shareholding system should be made in a diversified manner by absorbing self-owned capital rather than by carving out the assets of other enterprises as its capital.

The above analysis enables us to easily understand that the "group shareholding system" in Chen's article is in essence the state ownership system and that the methods explained in the article are not the methods for exercising the group shareholding system.

#### RENMIN RIBAO ON MODERNIZING INFORMATION WORK

HK221037 Beijing RENMIN RIBAO in Chinese 20 Dec 86 p 1

[Commentator's article: "Information Work -- The Cornerstone of Modernization Engineering"]

[Text] At present, the economic, political, and cultural aspects of our country are undergoing profound changes, and the country is advancing toward the grand goal of socialist modernization. Such a huge project must be based on a solid foundation. The information work, especially the information work in social sciences, is a foundation stone of great importance.

The key to the realization of the four modernizations lies in the modernization of science and technology. Here, science also includes social sciences. We do not deny that the state of natural sciences in our country is backward, but we do not have sufficient courage to acknowledge that the studies of social science in our country in general remain below the advanced world level. Some branches of science lack sufficient data and remain at the stage of general and abstract inference. This is also a backward aspect. If our academic and theoretical work is not based on the full accumulation of data, it will be hard for us to fundamentally overcome the subjectivist factors. We should understand the importance of information work from the angle of adhering to the thinking line of materialism. In order to discard metaphysics and make our research work scientific, we must settle down to accumulate and analyze data.

A scientific and democratic decisionmaking and policy-making process cannot be separated from the information work of social sciences. What are the national conditions of China? Only by gathering and sorting out a great deal of historical and current data about China's economic, political, social, scientific, and cultural affairs can we find out about China's national conditions. [paragraph continues]



In the steps of formulating, evaluating, and revising policies, if we merely have a vague idea about China's basic situation and if we cannot correctly learn the people's feelings, thoughts, and correctly reflect their exploratory efforts, then it is still hard to eradicate the ingrained diseases of subjectivism and bureaucratism. In general, policy-making departments do not have sufficient information channels and they are still not good at relying on the information work of the social scientists. The information section of social sciences has some special advantages. For example, scholars and theoretical workers have more free means of gathering data and can gather data in a more systematic way and more deeply analyze the data. The information workers in the field of social sciences should have foresight and make greater contributions to the improvement of the policy-making level of the party and the government.

In modern times, no country can accomplish its modernization process by closing its door. Modernization itself is a kind of civilization that transcends any country boundaries. We need an "open world" and need to acquire and study all information about other countries' economic, political, scientific, and cultural affairs. Without this most extensive information work, we will not be able to grasp the general tendency in the world's development, to absorb other countries' experience, and to adapt ourselves to the highly competitive international environment. For example, if our information work failed to sharply and fully study the rise and fall of oil prices and their influence on the world's economy in recent years and could not make forecasts and put forward countermeasures, we would not be able to prevent losses and grasp favorable opportunities.

To strengthen the information work in social sciences, it is particularly necessary now for us to solve the issue of handling information in an open way. Our basic data are originally insufficient, but some of them are sealed. This certainly affects the research work of social sciences and the normal unfolding of international exchanges. It is certain that some secret information should be controlled within certain limits, but our problem now is that the scope of confidential data in our country is too wide and there is no scientific standard for defining the security classifications. Information should be handled in a more open manner and data in the confidential files should be made public gradually and selectively. At the same time, "barriers" between different scientific information institutions should also be pulled down, and information blackouts between various departments must not continue. Without solving this issue, we will not be able to modernize our means of handling information. Here, the key lies in overcoming the small producers mentality in our scientific research work. Whether we are used to advancing our information work in an open manner and whether we are good at promoting vertical communications and horizontal contacts is a major criterion to test whether we really have a modernization idea. We must therefore not take it lightly.

#### BENEFITS OF SENDING STUDENTS TO COUNTRYSIDE VIEWED

OW230718 Beijing Domestic Service in Mandarin 1200 GMT 22 Dec 86

[Text] Since the beginning of the 1980's, a good situation, seldom seen in many years, has occurred in the social practices of college students. Such social practice is particularly characterized by its integration with the drive for the four modernizations, the educational reform, and college students' efforts to increase their abilities.

It has been learned that since the beginning of this year, students in more than 20 provinces, autonomous regions, and municipalities directly under the central government have been organized into construction teams or battalions to take part in projects for regional economic, technological, and social development, projects for tackling difficult technological problems, cultural and technical training classes, social investigations, or voluntary labor in key developing areas, old revolutionary base areas, areas inhabited by minority nationalities, poverty-stricken areas, areas with key projects under construction, cities, or rural areas. Some 500,000 students have participated in such activities in Beijing, Tianjin, Jiangsu, Zhejiang, Sichuan, and 10 other province and municipalities alone.

A responsible person of a relevant department under the CYL Central Committee told reporters today: The activities of social practice camps this year have the following three distinguishing features:

1. These activities are closely linked with local strategies for economic development and with regional development projects. In Liaoning, more than 20,000 students were organized into over 240 construction battalions to develop remote and poverty-stricken areas and to provide technical services for village and town enterprises, small and medium-sized enterprises, and rural areas. Those students completed more than 1,300 projects in technical transformation, technical training, special-subject investigation, and designing, and achieved direct and indirect economic results worth 426,000 yuan.

2. Social practice camps have provided intellectual and technical services for urban and rural economic development. Students of the Nanjing College of Engineering designed a power-outage safety device for a set of plastic-making machines imported by the Huaian County plastic plant. By using this safety device, the plant can save more than 300,000 yuan worth of raw materials.

3. Such social practice has promoted coordination between higher education and economic construction, which in turn has facilitated the training of qualified people. Graduate students of Qinghua University went to the northeast, southwest, and northwest of the country to provide technical services for small and medium-sized enterprises there. By so doing, they learned what they had not been able to learn from books. Beijing University students who participated in such activities in Guizhou and Yunnan said: What we have seen while engaging in such practical activities has greatly inspired us as far as reform is concerned. At the same time, we have also realized that economic, cultural, and scientific development in various parts of China is very uneven. Therefore, reform must be carried out step-in-step, and unrealistic theories cannot be used to carry out reform.

#### TA KUNG PAO ON PLANNED PRC FORUM ON HUMANISM

HK230318 Hong Kong TA KUNG PAO in Chinese 23 Dec 86 p 2

["Special Dispatch" from Guangzhou: "More than 80 Scholars Gather in Guangzhou To Discuss Theories on Humanism"]

[Text] Guangzhou, 22 Dec -- Under the present comparatively relaxed, harmonious, and equal academic atmosphere, discussions on theories of humanism, which once became quiet and stagnant, have now become active again. Some articles with different viewpoints are being published in newspapers and journals again. [paragraphs continued]

A score of monographs and collections of essays have been successively published in Beijing, Shanghai, Nanjing, Guangzhou, and Chengdu. What arrests people's attention most is a large-scale academic activity participated in by nearly 100 scholars, who will discuss the questions of humanism and the philosophy of man. The discussion will start from 23 December in Hunan Teachers' University. It will be the biggest discussion on these topics over the past 3 years.

A number of scholars have maintained that the reason the questions of humanism and the philosophy of man have become a "popular topic for discussion" in the academic field in the interior is mainly that with the recent rapid development of commodity economy, people have had to think again about the nature, status, and value of man. More than 80 noted experts and scholars, such as Xiao Qian, Wang Ruoshui, Li Honglin, Xue Dezheng, Wen Yuankai, Duan Ruofei, and others have entered their names for the discussion.

Discussions on humanism have gradually revived in the interior, and the atmosphere for free contention among different schools has become increasingly lively. Different viewpoints, opinions, and understanding are simultaneously aired. The Joint Publishing Company has recently published a collection of essays entitled "In Favor of Humanism" by Wang Ruoshui. The book has become a best-seller in Guangzhou bookstores. Free debate between Wang Ruoshui and Hu Qiaomu, and free contention among different schools, with their arguments convincingly presented, are also reflected in other newly published works and articles. At present, the main point at issue in the academic discussion in the theoretical field of the interior is: Does Marxism conflict with humanism? Is there any socialist humanism which has existed independently as an ethical principle and moral standard? Due to the fact that the theoretical field in the interior has adopted a practical attitude toward the assessment of the achievements of modern philosophical studies in the West, the study of theories on humanism is developing gradually to keep abreast with the academic trends in the world.

#### YU QIULI EXHORTS MILITARY ACADEMY CADETS

OW220501 Beijing XINHUA Domestic Service in Chinese 1559 GMT 19 Dec 86

[By reporter Liu Huinian]

[Excerpts] Beijing, 19 Dec (XINHUA) -- Yu Qiuli, deputy secretary general of the Central Military Commission and director of the PLA General Political Department, met with cadets of military academies who had returned from field training on the Laoshan front this evening. He praised the cadets' militant spirit by having undergone field training under actual combat conditions. [Passage omitted on cadets' heroic deeds]

Sitting in a circle with the young soldiers, Comrade Yu Qiuli heard their reports and said: While fighting on the frontline, you defied hardship and death. On behalf of the Central Military Commission, I extend warm regards to you. It is of great significance for the growing younger generation of cadets of military academies to undergo field training on the frontline because you learn what you cannot get in the classroom. Inheriting the glorious tradition of the People's Army, you have been tempered in actual combat. Your ideals, convictions, and tenacity are manifestations of your youthful awareness. Yu Qiuli then called on them to contribute to Army construction by passing on the frontline's heroic, tenacious, and hardworking style to other PLA units. Present on the occasion were PLA General Political Department Deputy Director Zhou Wenyuan, Shenyang Military Region leaders Liu Jingsong and Liu Zhenhua, and Dalian Army Academy veteran hero and adviser Sun Yi.



CULTURAL, ARTISTIC PRODUCTS ALSO COMMODITIES

HK150815 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1222 GMT 14 Dec 86

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE) -- GUANGMING RIBAO today published a signed article that cultural and artistic products are also commodities. Although efforts will probably be devoted to pursuing economic results, to the neglect of spiritual ones after these products enter the market and participate in competition, the fact that they are commodities cannot be denied, nor should they be forbidden to enter the market.

The article says: Whether a cultural or artistic product is good or bad is not determined by one or two persons, but by whether it meets the masses' needs. For a time in the past, the political role of cultural and artistic products was improperly enforced, taking serving politics as the sole purpose of cultural and artistic production, regardless of whether the masses needed or could accept them. As a result, the productive forces in culture and art were restricted, the masses' spiritual needs could not be met, and cultural life in the entire society was monotonous, dull, and stagnant.

This state of affairs is becoming increasingly prominent, following the improvement in people's living standards on the mainland. Therefore, the article points out that the purpose of cultural and artistic production is to meet, to the largest possible extent, the people's increasing spiritual needs. To facilitate this, our efforts should not be confined to just polishing the administrative mechanism, as this will not help remove the shortcomings of the old system; the only way is to get out of the old system and expand and improve the cultural market mechanism.

Today's GUANGMING RIBAO also carried an item entitled "An Important Breakthrough in Shanghai's Literature and Art System," indicating that the "Zhonglin Ballet Troupe," the first of its kind in China to be named after a person, has been formed in Shanghai. In the meantime, the famous music conductor Chen Xieyang has been appointed chief music supervisor of the Shanghai Philharmonic Orchestra. Li Zhonglin and Chen Xieyang have the right to organize personnel, finances, and the programs to be performed.

WAN LI DISCUSSES EDUCATION WORK IN ANHUI

OW040551 Beijing XINHUA Domestic Service in Chinese 1311 GMT 3 Dec 86

[By RENMIN RIBAO REPORTER Zhao Xilong and XINHUA reporter Tian Wenxi]

[Text] Hefei, 3 Dec (XINHUA) -- On 30 November in Hefei, Wan Li, vice premier of the State Council, invited responsible persons and teacher representatives from 12 universities to a lively discussion meeting on democracy in running schools.

Wan Li said: Today, we are holding a discussion meeting on democracy in running schools for the main purpose of soliciting your advice. Please express your opinions freely. School presidents, secretaries, department heads, and teachers may all speak. In making your speeches, please speak out what you have in mind and speak honestly. Then, Vice Governor of Anhui Yang Jike and responsible comrades and teachers from nine institutions of higher learning, including the China University of Science and Technology, Hefei University of Technology, and Anhui University, expressed their views and made suggestions on how to run schools in a democratic way.



Wan Li said: Educational reform is imperative. Not only the education system, but also the leading system should be reformed. It is necessary to adhere to the principle of democracy in running schools to train qualified personnel required by our four modernizations program. He pointed out: University presidents must conscientiously implement the party's line, principles, and policies, have cultural and scientific knowledge and organizational and managerial expertise, and display a hard-working spirit and democratic work style. Wan Li praised what some institutions of higher learning had done in test-implementing the system of the school president assuming full responsibility, the system of school affairs' councils and evaluation committees for appraising academic achievements, awarding degrees, and examining the qualifications of teachers for their work, and the system of the faculty congress, which includes the motions, housing-assignments, and faculty welfare committees. He said: Schools differ from enterprises. A new system should first be tested in a few schools on the basis of their characteristics. Then, experience gained in these schools is summed up, and the new system is gradually popularized in more and more schools.

Having heard the remark by Deng Zhiyu, secretary of the party committee of the Hefei University of Technology, on the efforts to improve both party and school style while running the school in a democratic way, Wan Li said happily: When the school has paid attention to improving both party and school, the thinking and moral character of its graduates will be quite different. Efforts to promote democracy should be combined closely with the strengthening of the legal system and education in discipline, and neither of these can be dispensed with. Democracy without centralism and freedom without discipline are both against the essence of the Resolution of the Communist Party of China on the Guiding Principles for Building Socialist Spiritual Civilization. Wan Li also said: School authorities and departmental heads should be concerned about, and acquainted with the students' thinking, study, and everyday life. They should also help students solve the various problems they have encountered with respect to ideology, study, and everyday life. Teachers should not only teach, but also cultivate their students.

Li Guixian, secretary of the Anhui Provincial CPC Committee, and Wang Yuzhao, provincial governor, also attended the discussion meeting.

On the morning of 1 December, Wan Li called on the scientists working at the Hefei Branch of the Chinese Academy of Sciences at Dongpudao.

#### WAN LI, OTHERS AT ART EXHIBITION 15 DEC

OW151402 Beijing XINHUA in English 1253 GMT 15 Dec 86

[Excerpts] Beijing, December 15 (Xinhua) -- Artist Fan Zeng opened a one-man-show at the National Art Gallery here today.

Fan Zeng, 48, best known for his paintings of ancient Chinese historical figures, has 100 paintings display. Through his brush, the national spirit and self-esteem of famous Chinese poets such as Li Bai and Du Fu, and the images of legendary figures come to life. Almost two thirds of the paintings on display are of well-known figures. [passage omitted]

Kang Keqing, vice chairwoman of the National Committee of the Chinese People's Political Consultative Conference, Mu Guoguang, president of Nankai University, and Liu Yandong, president of the China Youth Federation, cut the ribbon for the exhibition, and over five hundred artists and art lovers attended the opening ceremony.

[Beijing XINHUA Domestic Service in Chinese at 1208 GMT on 15 December in a similar report adds that Wan Li, Wang Zhaoguo, Banqen Erdini Qoigy Gyancan, Zhao Puchu, and Song Defu were present at the art exhibition]

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HK180813 Beijing RENMIN RIBAO in Chinese 16 Dec 86 p 7

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[Text] "Forum": "Decentralize the Power of Operation To Invigorate Large and Medium-Sized Enterprises"

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Article by Li Yuanjiang and Yu Youjun: "Beginning the Talk From 'Socialism of 400 Years'"

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Article by Chen Xiaochuan: "The Exploring and Pioneering Spirit that Inspires the Chinese Nation"

Article by Wu Guoguang: "The Ligament of Life"

Article by Lu Rongchun: "A Heroic Forerunner, Immortal Merits -- It Is Gratifying To Watch the Television Series 'Huang Xing'"

Article by Li Zhaofu: "On the Effectiveness of Ideological and Political Work"

Article by Xiao Rong: "Disparity Means Hope"

Article by Shi Xiaoyan: "Written Records of Stormy Struggles -- Introducing Marshal Xu's Memoirs 'Historical Recollections' (Volume II)"

NHK REPORTS ON SHANGHAI STUDENT DEMONSTRATIONS

OW221501 Tokyo NHK Television Network in Japanese 1200 GMT 22 Dec 86

[From the "News Center 9" program]

[Text] In China, college students, an elite class assured of assuming leadership as Communist Party cadres in the future, are currently continuing demonstrations in various parts of the country demanding political democracy.

The CPC leadership, itself studying political reform for effective economic management, at first took the stance of tacitly tolerating the student demonstrations. However, after such demonstrations continued for the third consecutive day yesterday in Shanghai, the heart of the Chinese economy, the Chinese authorities, through XINHUA NEWS AGENCY reports and other means have made it clear that they will not tolerate the confusion spreading any further.

In response to this call from authorities, things were calm in Shanghai during the daytime today; in the evening, however, students began moving again and took to the streets. Correspondent Osaki has filed the following from Shanghai:

[Begin Osaki video report, video shows street scenes, students in streets] Students took to the streets for the fourth consecutive day. Nevertheless, the number of students is much less than yesterday or the day before yesterday. They marched in a very orderly fashion, carrying signs calling for freedom, equality, democracy, or civil liberty. While there are a variety of reports concerning what triggered the student demonstrations in Shanghai, my investigation has discovered this: When an American musical group staged a performance in Shanghai last month, a female student in Shanghai was arrested and detained by police for dancing to the tune of the music.

This incident is said to have triggered the demonstrations. It merely provided the spark, however. Needless to say, in the background of the large-scale demonstrations organized following the incident was the demand voiced in various forms for democracy by college students, who account for only 1 percent of the total population and are thus supposed to enjoy extremely privileged social environments. Specifically, their demand for democracy is that for democracy at the grass-roots levels and for freedom of the press.

In connection with the student demonstrations and sit-ins through yesterday, and in what appeared to be their response to the demand of students, the authorities published for the first time this morning a statement of a spokesman of the Shanghai municipal people's government in JIEFANG RIBAO and WEN HUI BAO, which are published in Shanghai City. At the same time, the Shanghai radio broadcasting station repeatedly broadcast the statement and a proclamation of the Shanghai Public Security Bureau urging students not to take part in the disturbance. In the statement, the spokesman referred in detail to students' activities since 10 December and made it clear that Mayor Jiang Zemin talked to students at the communications university on the afternoon of 18 December and again at city hall after midnight on 19 December. The students' activities are within the range authorized by the Chinese Constitution and their feelings in seeking reform are understandable, he said, adding that however, it is not acceptable that they, as they did this time, take to the streets for demonstrations and thereby adversely affect traffic and the life of residents.

The spokesman also issued a stern warning by saying that vigilance should be raised against the fact that some elements took advantage of the situation and put up wall posters against the basic principle of socialism.

The students had the following reactions to this:

[Video shows Osaki speaking to a Railway School student participating in the demonstration in Mandarin with Japanese subtitles; processed from the subtitles]  
[Student] We demand equal human rights and freedom of the press. There is no freedom to report things now. We demand that our student demonstrations be reported. Nevertheless, large newspapers are not reporting them.

[Osaki] But today's newspapers reported your demand, did they not?

[Student] However, they distorted the fact. They did not report about beatings and arrests of students.

[Osaki] Today's is a relatively small-scale demonstration, and participants are not students of Communications University and [words indistinct], who have thus far played a main role in the demonstrations. It has been noticed that they are students of the Railway School, who did not participate in past demonstrations. At any rate, this movement of the students seems to be moving toward a close in our opinion.

The authorities have thus far showed a certain degree of understanding and tacit permission regarding the current student movement. However, beginning today they issued warnings through the media against extreme acts of the students and, in fact, imposed partial restrictions on some acts. It will be worth noticing how students in Shanghai react to this step by the authorities. [end video report]

#### ASSEMBLY PRECEDING SHANGHAI DEMONSTRATIONS NOTED

HK231043 Hong Kong AFP in English 1032 GMT 23 Dec 86

[By Lawrence MacDonald]

[Text] Shanghai, Dec 23 (AFP) -- Four days of demonstrations here grew from a mixture of complaints eventually aired at a rare confrontation in which students booed the mayor and openly questioned the Communist Party's mandate.

On the eve of the first protest march Mayor Jiang Zimin was repeatedly booed and hissed by an assembly of about 3,000 Communications University students who took the floor to voice grievances ranging from lack of press freedom to unequal application of the death penalty, students present said.

The mayor arrived at Communications University as students were preparing to take to the streets to protest against repeated removal from campus walls of posters reporting a spate of student demonstrations in other Chinese cities.

Accompanied by university and party officials, he took the podium in an auditorium packed with nearly a third of the university's 10,000 students and tried to persuade them to cancel their March.



When the 3-1/2-hour meeting ended students politely applauded Mr. Jiang as he left the hall, apparently feeling that he had stood up well to their anger about issues that were not his direct concern.

Posters put up by students after the meeting were removed Thursday night here, and the next day new posters appeared bearing the slogan: "The voice of the people cannot be ripped down."

When school officials removed these posters too, students decided to march to the municipal congress building in People's Square and demand to see the mayor again.

Student activists said 6,000 to 7,000 students from Communications University had taken part in the march, which was also joined by several hundred people from other Shanghai universities.

School officials declined to comment on the size of the march and independent accounts were not available.

Mr. Jiang did not appear at the congress building and marchers, bearing banners demanding more freedom and democracy, moved on to the Communist Party headquarters about two kilometres (1.2 miles) away.

Vast crowds that gathered to watch snarled the city's traffic for the rest of the day but eventually went home, leaving a core of about 2,000 students who determined to spend Friday night here on the Bund, Shanghai's waterfront.

It was this group that student participants and independent witnesses say was forcibly removed early on Saturday by several thousand policemen.

The kicks and blows the police delivered in breaking up the students became a major grievance in the three following days of demonstrations, which were brought to a halt on Monday by a government ban on unauthorized assemblies.

#### SHANGHAI STUDENT ACTION REPORTEDLY QUIETENED

HK231048 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0618 GMT 23 Dec 86

["Shanghai Student Demonstrations Have Calmed Down" -- ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 23 Dec (ZHONGGUO XINWEN SHE) -- The street assemblies and demonstrations, which were held by some university students beginning 4 days ago in Shanghai, have gradually calmed down. This morning, public vehicles in all parts of Shanghai could pass unimpeded, and Shanghai residents could go to work and to school smoothly by bus.

At 10 a.m., this reporter telephoned Shanghai Jiaotong University, and was told that students in all departments were having their lessons, and some students were wrapping their Christmas presents. Fudan University was also full of the sound of students reading aloud. Most students in Tongji University were diligently reviewing their lessons and preparing for the coming examinations. Only a small number of students had not returned to their lessons.

The demonstrations by some Shanghai University students were caused by an event on 9 December, in which a graduate student of Jiaotong University was beaten by people when he was watching a show. He returned to school and told other students and the school authorities about the case. This aroused his fellow students' indignation. They organized meetings in the school campus and called for punishment of the assailants according to law. Before that, some students in the East China Teachers University expressed their discontent with the winter long distance running and the quality of food in their school canteen.

On 18 December, Shanghai Mayor Jiang Zemin went to Jiaotong University, his alma mater, to have a talk with the students there. He hoped that the students would exercise their democratic rights correctly, cherish the present good situation, and maintain unity and stability.

On the afternoon of 19 December, some students from Jiaotong University, East China Teachers University, Fudan University, and Tongji University gathered at the People's Square in the center of Shanghai to hold a demonstration. Hundreds of students climbed over the fence and entered the municipal People's Congress Standing Committee office building compound. Some students later accepted the officials' advice and returned to their schools, but other students began to march along Xizang Nanjiang roads and finally gathered in front of the municipal government building. Vice Mayor Ye Gongqi and Mayor Jiang Zemin in turn met with the students and talked to them. Jiang Zemin called on the students not to do anything harmful to the interests of the state and the people, and guard against the sinister instigation of a small number of people with ulterior motives.

Early in the morning of 20 December, the municipal government sent scores of buses to carry the students back to school. Some students accepted the advice and returned to school, but others crowded some main streets in the Bund District and caused serious traffic congestion. After their futile efforts to persuade the students to make way for the traffic, policemen took action to disperse the students, but they did not arrest or assault the students at all.

On 21 December, some students from the above-mentioned universities and from the East China Institute of Chemical Engineering and the China Textile Engineering University continued to hold demonstrations for several hours. According to rough estimates, more than 10,000 students participated in these demonstrations.

As this reporter learned, only a small number of Shanghai's over 50 universities and colleges participated in rallies and processions. Some students in the demonstration ranks said that they had not participated in any demonstration before, and they now wanted to taste the excitement of such action.

The serious traffic congestion caused by the demonstrations affected residents' normal lives over the past few days. A lot of residents were resentful of the students' action. Some elderly people said: The practice of the "Cultural Revolution" must not be repeated. Some university professors hoped that the students would pay more attention to their studies.

When dealing with this event, leaders of the Shanghai municipal government, adhered constantly to the principle of dialogue. They affirmed the students' enthusiasm for reform, and called for all people in Shanghai, including the university students, to cherish the united and stable situation which had not come easily. As for the rumor about the arrest of some students during this demonstration, the spokesman for the Shanghai municipal government flatly denied this.

SHANGHAI NORMAL AFTER BAN ON DEMONSTRATIONS

HK230710 Hong Kong AFP in English 0646 GMT 23 Dec 86

[Text] Shanghai, Dec 23 (AFP) -- Life returned to normal in China's biggest city Tuesday, as a government ban on demonstrations nipped four days of student-led protests for more freedom and democracy.

Traffic flowed smoothly in front of Communist Party headquarters along the riverfront Bund and at nearby People's Square, a concrete plaza where tens of thousands of students and sympathizers had demonstrated.

Toppled street railings and damaged trees and shrubs were among the few signs of the massive gatherings which had begun Friday.

Small groups were seen quietly reading announcements by city officials and the Public Security Bureau -- China's police force -- banning public demonstrations without a police permit.

The posters also said that all citizens should act in the interests of unity and stability.

When asked by Western reporters about the de facto ban on demonstrations, some Shanghai residents tended to answer in clipped sentences, saying it was not unreasonable. Others feared being overheard.

The last burst of protest appeared to have been Tuesday at around 3 a.m. (1900 GMT Monday) in People's Square, where a crowd occasionally broke into song and cheers. Police were not visible and the crowd dispersed before dawn.

Student activists said street protests were being abandoned following government allegations that cars had been overturned and women assaulted on Sunday night -- suggesting the movement was swinging out of control.

"There are a lot of hoodlums in Shanghai, people who want to stir up trouble. The students are rethinking their strategy," one activist said.

Calls for a university class boycott went largely unheeded Monday and Tuesday, and some students expressed fears of future retributions, such as job assignments in remote corners of China.

"People are frightened now. They don't dare do any more," one source said. "But the issues haven't been solved yet."

Students Return to Classes

OW230320 Shanghai City Service in Mandarin 0100 GMT 23 Dec 86

[Consolidated report by station reporters]

[Text] Students of Fudan University, Shanghai Jiaotong University, Tongji University, China Textile University, and Huadong Teachers University attended classes as usual yesterday. A student working at the bookstore of Fudan University promptly reprinted a copy of the municipal government spokesman's interview with reporters and posted it at a prominent place on campus, attracting many students.

In self-reflection, some students said: We did not expect our street demonstrations would affect production and obstruct traffic, thus giving an opportunity for people with ulterior motives. This is contradictory to the purpose of our demands for reform. These students hoped that their opinions would be reported to the municipal party committee and the municipal government through lawful means.

Some students of Jiaotong University pledged to hold themselves responsible to society and not stage demonstrations and strikes again. The university campus was quiet yesterday.

Over 100 students of the 1983 class of the department of machinery and the 1984 class of the Department of Business Administration of China Textile University sat for final examinations as scheduled. No one was absent.

Many university teachers in Shanghai urged the demonstrating students to cherish the current excellent situation and safeguard political stability and unity by studying diligently at school. Professor (Liu Bonian), honorary president of Huadong Teachers University, said: The students' enthusiasm in demanding the acceleration of reform is good, and their concern for state affairs should be affirmed. However, in exercising their constitutional rights, the students should not forget their obligations; that is, they must abide by the constitution and relevant laws and regulations and must not affect social production and public order. Professor (Yan Shaozhong) of Fudan University Mathematics Department said: In view of our urgent need for a number of young scientists to accelerate the development of China's scientific undertakings, it is imperative to make the best use of time on study. As reform is self-perfection of the socialist system, the party and the government are taking measures to solve, step by step, problems and difficulties arising in reform and construction.

A few days ago, (Zhu Muhua), (Yang You), and 30 other professors of Shanghai Jiaotong University issued a joint appeal to their students calling on them to take into account the overall situation and promote the reform and revitalize the motherland with concrete actions of safeguarding stability and unity. Professors (Shi Chenghua) and (Qian Peijun) and Associate Professor (Zheng Yousheng) of Shanghai Finance and Economics University voluntarily conducted ideological work among the students to urge them to concentrate on study.

#### 'Thousands' Remain After Rally

HK230207 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 1

[By Lulu Yu]

[Text] Thousands of curious passers-by lingered on in the People's Square last night long after those with the cause had left.

The students had dispersed hours ago and there were no major banners in sight, just one small one that declared "Freedom of Speech".

Idle crowds continued to rove around the square, surrounding anyone who looked like he was about to make a speech.

The pedestrians' flyover just outside the square -- a vantage point for observers -- was jammed with onlookers well into the night while scores of security officers tried in vain to clear the road for the traffic.



The lamps of the square went out at 10 o'clock but the loudspeaker continued to blare out with a woman's voice asking students to abide by the law in submitting details before they move on to the streets.

Suddenly a loud noise was heard coming from the main road where policemen stood. Apparently an incident had occurred. The crowd moved as one towards the scene.

The police had grabbed a man. But it was hardly of interest, just a thief being dragged away to answer for crimes at the nearby public security office.

Only a few were aware of what had happened and the rest squeezed their way towards the office anyway, booing and whistling, and breaking into laughter.

Such was the mood of the Shanghai masses who had been so aroused by what had passed in the past few days.

"We are anxious for more action," said a secondary school student. "It had been a very exciting and anxious few days."

#### POST VIEWS SHANGHAI STUDENT DEMONSTRATIONS

HK230309 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 1

[Text] The Shanghai student demonstrations that have rocked China's largest city since Friday began to ease yesterday after the Government issued stern warnings that further rallies without police permits would not be allowed.

Hundreds of students gathered in People's Square in the city centre again and one group pushed through police lines for a march to City Hall.

But the demonstrators were small in number and disorganized compared with the tens of thousands who rallied over the weekend in the largest spontaneous demonstrations in China in a decade.

As darkness fell, about 500 people were left huddling in the square, but police cordons had been removed and only a few police remained to watch the students.

Students said all schools received notices yesterday that further demonstrations would not be allowed without police permission.

Loudspeakers broadcasting from the People's Congress building on the square delivered a similar message.

It was not known if the one group of marchers, numbering about 300, had received a permit for its walk down Nanjing road, the city's best-known shopping avenue, to City Hall and back. Police made no obvious effort to halt them.

The students were far out-numbered by 10,000 to 15,000 spectators who jammed the pavements and overhead bridges for a look at the rare protests. Shanghai, with a population of more than 12 million, is a densely crowded city and the city centre is always packed.

Yesterday the party's Central Committee issued an internal circular on the Shanghai demonstration after an emergency meeting in Beijing's City Hall, the POST's Beijing correspondent reported.

The circular described the three days of protest in Shanghai and discussed measures to prevent possible similar outbreaks of public dissent in the capital.

According to a source who read the circular, the document also disclosed that 20,000 workers at the Loyang tractor factory in Henan Province had gone on strike for two days late last week protesting against low wages.

The workers had returned to work without apparently obtaining any wage increases.

The circular did not draw any specific connection between the strike and the student demonstrations.

Beijing universities remained quiet yesterday but a source at Beida said there was definitely "tension in the air".

Shanghai's media broke their silence about the demonstrations yesterday to chastise students for disrupting the life of the city and warning of "reactionaries" among them who were taking advantage of the chaos.

In Sunday's march, many marched behind banners of Shanghai University, Shanghai Drama Institute and Shanghai Arts Institute.

Students said their companions from Jiaotong and Fudan Universities, who led the weekend demonstrations, had their banners confiscated and were under tight surveillance as they tried to leave their campuses.

Large posters printed by the city authorities and the Public Security Bureau appeared throughout the city warning that bad elements had infiltrated the student movement and were disrupting production.

Observers said the protest movement seemed to be floundering in part because of a lack of clear leadership and poor co-ordination between the students and the tens of thousands of workers who had massed to support them in the past three days.

One observer estimated that Sunday's biggest turnout had involved 30,000 students and 40,000 workers and residents.

The students, while welcoming expressions of support from these "masses", seemed unable to turn it to their own advantage.

As tension in the crowd grew some of the students were even heard to tell the workers to get on with their work and leave the students to handle the protest on their own.

The city party committee apparently had instructed all work units to help keep workers off the streets.

Students said some young professors had encouraged them in their activities. They said small groups of students from Beijing and Hefei had arrived in Shanghai to join the protests, although they did not expect large numbers from outside because college exams begin soon.

The students said they were inspired by speeches of the vice-president of Hefei Science and Technology University, Mr Fan Lizhi, who has been an outspoken proponent of democratic reform.

He supported student demands for more participation in local elections following student demonstrations there earlier this month.

Some students at Jiaotong University, the first campus to launch the protests, told reporters that they planned to boycott classes in a fresh step in their democracy campaign.

And posters went up in the prestigious Zhongshan (Dr Sun Yat-sen) University campus yesterday with some drumming up support for the Shanghai protests and others calling for stability and solidarity.

The unsigned posters were pasted on the wall of student dormitories.

Declared one: "We will never give up if our fight for democracy is not known to the public."

Said another: "Let's continue the December 20 (in Shanghai) protests until the end."

But one declared: "Let's face the problem positively...do away with empty old slogans...cherish the stable and unified situation we have now."

The spacious campus in Guangzhou's southern suburbs was calm yesterday after a weekend student demonstration that saw more than 1,000 young people taking to the streets protesting at the lack of democracy and liberty, and dissatisfaction over bureaucracy and selection of delegates to the National People's Congress.

Last night, 13,000 students at Zhongshan were either busy preparing for the approaching examination, taking a night stroll and attending a joint campus gathering, or celebrating the winter solstice festival with families.

"Classes are normal after the protests," a student told the SOUTH CHINA MORNING POST.

"Most of us feel that we have gone too far. It does not do any good to the overall development (political and economic reforms)."

Another student said no one had been punished at the moment: "Our school is more open-minded. Students have got access to democratic development in other places such as Hong Kong."

A reliable Shanghai student source said a systematic appeal to fellow Chinese students to support the campaign had begun, with students writing letters, making long-distance telephone calls and asking travellers at railway stations to spread their message.

A Western reporter saw a small group from Qinghua University in Beijing which has so far remained untouched by demonstrations, walking arm-in-arm with Jiaotong students in Shanghai as police looked on.

The Shanghai marches have been the largest political demonstrations in China since the closing days of the Cultural Revolution 10 years ago.

The demonstrations generally have been peaceful, although the two sides have exchanged accusations, with students claiming 200 people were detained on Friday and up to 40 beaten by police on Saturday.

Authorities have said that 31 police were assaulted and the People's Congress building was stormed last Friday.

All such accusations have been denied by the other side.

The first real sign that official tolerance for the demonstrations had reached its limits came early yesterday when the state-run NEW CHINA NEWS AGENCY came out with a sharp criticism.

It said a small number of students were committing "illegal actions" that "will affect social stability and unity, affect the progress of the country's modernization program and affect students' study".

It said some people, including those writing inflammatory and illegal "big character" posters, were "taking advantage of the patriotic zeal of the students and their longings for democracy and freedom".

An announcement by Shanghai's mayor, Mr Jiang Zemin, said cars had been overturned and women assaulted during a protest march on Sunday.

The official statement gave no details but residents talked of two mini-buses having been overturned and two women assaulted on Nanjing Road, the city's main thoroughfare.

Small crowds of students were seen gathered around two noticeboards carrying announcements by Mr Jiang, University President Mr Ong Shili and the university Communist Party secretary calling on students to cease protests and return to classes.

Mr. Jiang, in what appeared to be a reply to student demands, said the vast majority of students were genuinely concerned about democracy.

An open letter posted up expressed the disappointment of those that had joined in the movement.

Said two couplets of poetry at the end: "The masses have yet to awake, we walk forward alone, like orphans into a den of wolves, when we die there will be no burial place for us."

Students denied press statements linking their democracy movement to the 1966-76 Cultural Revolution.

"This is a completely different spirit from the Cultural Revolution," said one student.

"Then the orders came from the top and went to the bottom levels. But this time the initiative came from the bottom."



23D STANDING COMMITTEE MEETING OPENS IN SHANDONG

SK210332 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Dec 86

[Text] The 23d Standing Committee meeting of the 6th provincial People's Congress opened at Jinan's Fanjiao Guesthouse on 20 December.

The main subjects of discussion of this meeting are to study the guidelines of the eighth plenary session of the fourth provincial party committee; to hear, examine, and discuss explanations for revising the Shandong provincial detailed regulations on electing people's congresses at county and township levels, explanations of the Shandong provincial draft regulations on the management of seeds, explanations of the Shandong provincial draft methods on the management of collectively owned town and township enterprises and individually owned mines, and explanations of the Shandong provincial draft regulations on implementing the land management law of the PRC; to hear, examine, and discuss a report on the situation of implementing the province's 1986 budgetary plan, a report on the situation of implementing the trademark law of the PRC, a report on the province's situation in trying economic cases, and a report on the situation in which procuratorial organs inspected the implementation of the law and discipline; and to decide items of personnel appointments and dismissals.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the plenary session held on the morning of 20 December.

After the plenary session, members studied and discussed the guidelines of the eighth plenary session of the fourth provincial party committee. [passage omitted]

Attending the meeting were vice chairmen of the provincial People's Congress Standing Committee, including Xiao Han, Xu Leijian, Gao Fengwu, Zhang Zhusheng, Lin Ping, Lu Hong, Xu Sen, and Yang Qingqing. Attending the meeting as observers were Tan Qinglian, vice governor of the province; Han Bangju, president of the provincial Higher People's Court; and Zang Kun, chief procurator of the provincial People's Procuratorate.

STUDENT DEMONSTRATION IN ZHEJIANG REPORTED

HK230144 Hong Kong TA KUNG PAO in Chinese 23 Dec 86 p 2

["Special Dispatch from Beijing": "Several Thousand Students Hold Demonstration in Hangzhou, Traffic is Blocked"]

[Text] It is learned by this reporter by long-distance telephone that yesterday several thousand university students held a street demonstration shouting slogans like "We want democracy and freedom" and so on, resulting in the obstruction of traffic in Hangzhou. The demonstration continued until midnight.

Today, several thousand students surged toward the railroad station, trying to go to Shanghai and meet the student marchers there. In order to maintain the normal transportation of the railroad station, the local police at once stepped up to persuade and obstruct them. According to the source of information, there was no major conflict between the two sides.

XIZANG GOVERNOR OUTLINES WORK TASKS FOR 1987

HK220611 Lhasa Xizang Regional Service in Mandarin 0100 GMT 22 Dec 86

[Excerpts] On 20 December, Doje Cering, deputy secretary of the regional party committee and chairman of the regional people's government, delivered a report at the conference on structural reform and replacing old leadership groups by new in the provincial organs, entitled: "Review of Work in 1986 and the Basic Tasks for 1987." We now broadcast part two of the report: The basic tasks for 1987. [passage omitted]

He said: The guiding idea on economic work next year is to act in accordance with the central instructions on economic work in Xizang, continue to carry out reforms, opening up, and invigoration, take agriculture and animal husbandry as the basis, tourism as the center, and education, energy, and communications as the focal points, and lay the foundation for developing commodity economy.

The region's agriculture and animal husbandry are facing a problem of reviving and developing. The party committees and people's government at all levels must take effective steps, strengthen leadership, carry out reforms in depth, and speed up the conversion of the economy in the agricultural and pastoral areas into commodity economy, to achieve new development in agricultural production and a relatively great improvement in the masses' living standards. The prefectures and counties, and the departments concerned must attach great importance to the role of science and technology in agriculture and animal husbandry. [passage omitted]

Doje Cering said: We must unswervingly regard developing tourism as the center of the region's economic work. We must continue to implement the principle of laying the foundation, creating conditions, carrying out vigorous development, and making steady progress, and the guidelines of having the state, the collective, and the individual all getting to work together. We must do everything possible to speed the development of tourism. [passage omitted]

The region's foreign economic relations and trade work should show further development in 1987. We must grasp the cardinal links in this work, make friends in a big way, expand the commodity markets, promote export and import agency business with their interior, and take advantage of our entry and exit points.

To ensure a certain reserve strength for the region's social and economic development, we must step up energy and communications construction. In energy construction, we must focus on hydroelectricity [words indistinct], and simultaneously exploit resources and practice economy. We must do a good job in building up the Lhasa power grid, expand the (Yangbajing) geothermal power station and (Daxing) thermal power station, and continue the construction of (Pingcuo) power station. We must get a good grasp of building the Linzhi, (Langjiu), (Shaagong), and (Yizu) power stations, and carry out energy construction feasibility studies in Nagqu and Xigatse.

In communications construction, the focus must be on maintenance of the Qinghai-Xizang highway and on completing the improvements of the (Zhongyi) and (Heichang) highways.

In industry and communications, we must take reforms as the motive force, invigorate the enterprises, improve economic results, and fulfill the year's production tasks.

Doje Cering said: Although Xizang has taken a key step forward in structural reform, the task remains very arduous. We must strengthen leadership and do the work in a positive and steady way. Next year, the regional departments, commissions, and bureaus should focus on structural reform and leadership group appointments in their sections and offices. At the same time, we must consolidate the fruits of reform, perfect the rules and regulations, and have a clear picture of the scope of our responsibilities and duties. We must grasp grass-roots political power building as a major affair.

Doje Cering said: A long-term historical task for us is to do a good job of united front, nationalities, and religion work. The party committees at all levels must put this in an important place on their agenda and further enhance (?understanding) on making a success of this work. We must formulate corresponding systems and measures for regularly reporting on the situation to patriotic and united front figures, so as to expand people's vision and discuss our major schemes with them. We should boldly promote and employ non-party middle-aged and young people with ability and political integrity. We should make proper arrangements for the older generation of non-party figures and continue to bring their role into play.

In nationalities work, we must seriously implement the law on autonomy of minority-nationality regions. All areas and units must spend some time between the spring festival and the Tibetan new year in conducting education in the nationalities policies and in the idea that Hans and Tibetans cannot be without each other. We must seriously check on the problems in nationality relations and in implementing the party's nationality policy, and formulate effective measures to resolve them.

We must respect the customs of minority nationalities. We must continue to attach importance to training, promoting, and employing minority-nationality cadres and science and technology personnel.

We must respect and protect freedom of religious belief and also respect and protect the freedom those masses who do not have religious belief. We should create a political atmosphere of relaxation, concord, stability, and unity.

Comrade Doje Cering also gave important explanations on building spiritual civilization and on work methods. He said: The guiding idea in building spiritual civilization in Xizang is: To base the work on local realities, take Marxism as our guide, meet the needs of economic construction and of all-round reform and opening up, and conduct education at many levels and in many forms in nationality solidarity and in developing commodity economy; to show great respect for science; to actively develop nationality customs; to fully express the spirit of the age; to strive to satisfy the cultural and spiritual needs of the people of Xizang; to cultivate citizens with four qualities, and to improve the ideological and ethical qualities and scientific and cultural qualities of the people of Xizang; to enhance nationality self-respect, self-confidence, and self-pride; to develop new-style nationality relations, and to build a united, affluent, and civilized new Xizang. [passage omitted]

BEIJING MAJOR DENIES STUDENT DEMONSTRATIONS

HK221519 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1331 GMT 22 Dec 86

["Chen Xitong Says There Are No Student Demonstrations in Beijing and the Situation There Is Stable" — ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 22 Dec (ZHONGGUO TONGXUN SHE) — Today, Chen Xitong, the mayor of Beijing, said there is not any student demonstration in Beijing and the situation here is stable.

He said this at a New Year reception for the foreign correspondents in Beijing and the Beijing press circles. The reception was attended by a total of over 20 foreign news organizations in Beijing. Mayor Chen Xitong as well as the vice mayors, Han Boping, Sun Fuling, Chen Haosu, and so on seemed very calm and relaxed tonight.

Holding a wine glass in his hand, Mayor Chen Xitong walked around the reception hall, proposing toasts to the foreign correspondents and answering the questions of the correspondents from time to time. While answering a question raised by correspondents of ASAHI SHIMBUN, Chen Xitong explicitly said, "First, there is not any demonstration staged by university students in Beijing. Second, the Beijing municipal government and residents do not like to have demonstrations either, because this is not favorable to the stability and unity and the four modernizations drive." Smilingly, he told the Japanese reporter that "I think that you would not like to have demonstrations either, as it would disturb the trade between you and us."

The Japanese reporter asked, "Do you understand the demands of the university students?"

Mayor Chen said that "I know all their demands. They want democracy and freedom, which were both put forward by the Communist Party and are needed by the reform. What we proposed is more specific than what they propose. It is our unswerving principle to expand and bring into place democracy."

The Japanese reporter asked, "Did you go to Beijing University and talk to the students there?"

Mayor Chen answered, "I have not yet visited there. This is because I do not need to go there, the situation in Beijing University is stable, and the university students are good. They care about the politics as well as the reform. It is just that their wording is a little bit extreme. If we guide them, they can make very good contributions to the four modernizations. The students are not our enemy but our descendants."

A reporter of the ASSOCIATED PRESS asked, "If student demonstrations happened in Beijing, would they be banned?"

Chen Xitong said, "If it happened, we would let it happen. According to the Constitution, citizens have the freedom to stage demonstrations. Nevertheless, most of the students do not favor staging demonstrations, in particular the big-character-type mass democracy which made people suffer a lot during the 'Cultural Revolution' and still remains fresh in people's memory. Of course, even if a student demonstration did happen, we would absolutely not put them into jail."



QINGHUA UNIVERSITY STUDENTS PUT UP POSTERS

OW231159 Tokyo KYODO in English 1152 GMT 23 Dec 86

[Text] Beijing, Dec. 23 KYODO -- Students demonstrating for more democracy in China started putting up wall posters Tuesday at Qinghua University, a well-known institution of higher learning in this Chinese capital along with Beijing University. Some of the posters were apparently meant to protest an editorial carried by the PEOPLE'S DAILY the same day calling for political unity.

A copy of the editorial was also put up on the wall with a question written in large characters in red ink: "Is China's news reporting system playing its due role?" The anonymous questioner further asked, "Why does XINHUA (NEW CHINA NEWS AGENCY) not report on demonstrations at Jiaotong (Transportation) University and Science and Technology University?"

One of the posters, which called itself a "small newspaper" demanded swift political reform in China, saying that the "excessively passive nature" of the Chinese people was responsible for inviting foreign invasion like that in 1860 when the burning of the Yuan Ming Yuan Summer Palace occurred, a reference to an incident in which an extensive palace complex was destroyed by the British during the Second Opium War. Another wall poster said that Qinghua University students should not enjoy good sleep while students in Shanghai demonstrating for more political democracy and freedom were being beaten by police.

Still another poster quoted a U.S. Voice of America broadcast as saying that 7,000 policemen were mobilized when as many as 50,000 students in Shanghai took to the streets in demonstrations for three days in a row, resulting in the arrest of 200 students.

TIANJIN ACCEPTS STUDENT-NOMINATED CANDIDATES

HK230448 Hong Kong AFP in English 0443 GMT 23 Dec 86

[Text] Beijing, Dec 23 (AFP) -- Posters appeared Tuesday in northeastern Tianjin City, announcing "a first step towards democracy," as authorities accepted student-named candidates for local elections, foreign students reported.

The development followed student protests here last week after local authorities attempted to impose their own slate of student candidates for local elections, the students said. The protests were among a series which have touched about 10 Chinese cities since December 9, most recently Shanghai. One foreign student, interviewed by telephone, said Tianjin authorities decided to back down and accept student-nominated candidates amidst growing student allegations that their procedure was "illegal."

"This is a first step towards democracy," read one "dazibao," or large-character wall poster, at Nankai University. "It's a beginning, but when will these methods end?" asked another poster.. A third called upon officials in Tianjin, an industrial city of eight million, to allow male students to enter female dormitories in universities.

Such "dazibaos" have been up in Tianjin for several days, following a period during which several posters were ripped down nightly, the foreign student said. Wall posters have been banned in China since 1980.

HEILONGJIANG PROVINCIAL PEOPLE'S CONGRESS MEETS

SK220420 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 20 Dec 86

[Text] The 25th Standing Committee meeting of the 6th Heilongjiang Provincial People's Congress opened in Harbin today. Li Jianbai, chairman of the provincial People's Congress Standing Committee, presided over the meeting. The meeting participants adopted 13 items on the agenda of the meeting, heard an explanation by (Kang Yufu), deputy director of the provincial Economic Office of the provincial People's Congress Standing Committee, on the revised draft Heilongjiang provincial labor safety regulations; an explanation by (Gao Xiaopo), deputy director of the Political and Legal Office of the provincial People's Congress Standing Committee, on the revised draft Heilongjiang provincial regulations of punishment for gambling; a report by (Cui Jia), deputy director of the provincial Department of Agriculture, Animal Husbandry, and Fisheries, on the implementation of the Heilongjiang provincial regulations on managing crop seeds; and a report by Zhang Li, president of the provincial Higher People's Court, on preparations for implementing the general principles of civil code.

On the afternoon of 20 December, the committee members studied in groups the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization.

Chen Yuanzhi, Lu Guang, Wang Jinling, Wang Pili, Wang Zahozhi, Wang Jun, and Zhang Ruoxian, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting. Wang Lianzheng, vice governor; Zhang Li, president of the provincial Higher People's Court; and Jia Chengwen, chief procuratorate of the provincial People's Procuratorate; attended the meeting as observers.

HEILONGJIANG SECRETARY SUN WEIBEN INTERVIEWED

SK222225 Shenyang DONGBEI JINGJI BAO in Chinese No 106, 9 Dec 86 p 4

[Report on DONGBEI JINGJI BAO reporter Li Weichun's interview with Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee -- date, place of interview not given]

[Text] "Reform and the development of cultural undertakings are very important to strengthening the building of socialist spiritual civilization." Sun Weiben, secretary of the Heilongjiang provincial party committee, came straight to the point to express his concern for cultural undertakings during an interview with a reporter.

He talked cheerfully and humorously with the reporter about his consideration of the present situation and prospects of the province's cultural work. He said: "With a total population of 33 million people, the big province of Heilongjiang on the northern border has very rich resources for building material civilization. However, its cultural undertakings are rather backward. During the time of an economic leap, the cultural-psychological structure of the people has undergone a big change. They seek new and aesthetic things and demand a multilayered cultural life, giving a new challenge to our work." He gave an example and stressed: We should strive to change the situation in which foreign television dramas have occupied our screens. We should unite with and mobilize the literary and art workers to create more good artistic works which the people love to see and hear, and use them to occupy and invigorate our literary and art circles."

"Heilongjiang has longstanding revolutionary traditions in the literary and art circles." He pointed out: Since the anti-Japanese war, this fertile land on the northern border of the motherland has fostered a number of noted writers, such as Jin Jianxiao, Xiao Jun, and Xiao Hong. [paragraph continues]

He said emotionally: "It is a pity that many of our competent personnel in the natural science circles are unknown domestically. Many of them were acknowledged by the people at home only when they went abroad, gave full play to their talents, scored achievements abroad, and returned home. This situation is abnormal. Such cases also exist in the literary and art circles. Take the television drama 'Night in Harbin', as an example. The setting of the play is in our province. Chen Yu, the writer of the play, was also brought up in the fertile land of Heilongjiang. However, this television drama series was shot successfully by another provincial television station, and the writer also moved to Anshan. When did a gifted person of Heilongjiang move away and settle down in another province? This is worthy of our self-criticism. We should give the literary and art workers warm support and love."

While touching on this, he said thoughtfully and firmly: "Our province should foster a number of influential writers and artists. During the Seventh 5-Year Plan, we should produce several good works embodying the spirit of the times and the distinctive expressions of the northern frontier." The measures he listed were to extensively carry out mass cultural activities, discover competent personnel, and train them through the joint efforts of experts and the masses. Furthermore, it is necessary to gradually collect funds to unceasingly improve the conditions for the literary and art workers. He told the reporter: The provincial party committee and government have decided to issue "awards for major contributions" annually to various branches of learning in the social science field and to select a group of outstanding writers. In conclusion, he said earnestly: "Our party's leading comrades at all levels should respect knowledge and talent personnel, show warm concern for the broad masses of literary and art workers, and create a relaxed environment for them. Let the spring breeze of reform usher in a new era in which flowers blossom in a riot of color!"

#### SUN WEIBEN ADDRESSES HEILONGJIANG WORK CONFERENCE

SK299514 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Dec 86

[Text] The work conference sponsored by the Heilongjiang Provincial CPC Committee concluded on 19 December. During the 2-day conference, the participating comrades concentrated on discussing how to strengthen the party's leadership over the work of the People's Congress and how to bring into full play the role of local organs of state political power.

During the conference, Sun Weiben, secretary of the provincial party committee, delivered a speech entitled "Strengthen the Party's Leadership Over the Work of the People's Congress To Promote the Improvement of Socialist Democratic Politics". Comrades Li Jianbai and Hou Jie also delivered speeches on bringing into full play the role of local organs of state political power by depending on the party's leadership, enhancing the concept of nationalities and legal systems, and doing a good job in conducting governmental work.

The conference held that since the founding of the People's Congresses at all levels, their organs have gradually become sound and the People's Congresses have played an ever-increasing role in earnestly exercising the power imposed by the Constitution and the Organic Law for Local Congresses and Governments, in developing democracy and improving the legal systems in accelerating the province's pace of building the two civilizations, and in conducting reforms in various systems.



The conference pointed out: The party committees at all levels should improve our enhance the party's leadership over the work of the people's congresses, strengthen the building of the people's congresses, strengthen the building of the People's Congress Standing Committees at all levels, and support the People's Congresses to exercise their power in line with the law so as to bring into full play the role of the organs of state political power. Efforts should be made to support the people's congresses and their standing committees to exercise their duty and power in line with the law and attack importance to the duty and power of the people's congresses and the governments so as to bring into full play the role of organs of state political power. The party committees at all levels should be good at using the existing situation in the country to turn the party's purpose into the guiding principles for the people's act through the implementation conducted by the state apparatus. The party committees at all levels and their leading cadres should do things truly in line with the law and gradually orient their activities in the economy, politics, culture, and science and technology on the track of legal systems, so that we can run our country and province in line with the law.

#### SUN WEIBEN ATTENDS HEILONGJIANG PLANT CEREMONY

SK200521 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Dec 86

[Excerpts] On 19 December the Harbin No 3 power plant successfully concluded its trial operation of the first 200,000-kilowatt generating set, which drew great attention from people throughout the province. The plant prefulfilled its plan for putting the generating set into trial production within a year. Since being put into production, strong electric current has begun to flow into the northeast grid so that the province's strained situation in power supply will be somewhat relieved.

According to a report by the department concerned, the Harbin No 3 power plant has brought about more than 200 million yuan in economic results to the state by prefulfilling its plan within a year of putting its first generating set into production. The large project of building the thermopower plant located in Hulan County with the designed capacity of 1.6 million kilowatt has been jointly carried out by the state and the province, and will be completely built in two stages. The construction of the first generating set began in June of 1984, which was planned to be put into production at the end of 1987. [passage omitted]

On the morning of 19 December, the principle leading comrades of the provincial and Harbin City organs, including Sun Weiben, Chen Lei, Hou Jie, and Gong Benyan, took a special trip to the plant to cut the ribbon to open the first generating set.

#### LIAONING SECRETARY DEFINES 1987 WORK TASKS

SK210220 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Dec 86

[Text] At the first plenary meeting of the Third Enlarged Plenary Session of the Sixth Liaoning Provincial CPC Committee on the morning of 20 December, on behalf of the provincial party committee Standing Committee, Quan Shuren, secretary of the provincial party committee, summed up this year and defined the major work tasks for 1987.

Quan Shuren said: Over the past year, the provincial party committee has concentratively grasped five such great matters as the reform and open work, grass-roots party style, building of leading bodies, and implementation of economic development targets; and has made great achievements in this.



However, some serious problems still exist. The province has lagged behind the advanced provinces and municipalities in terms of the pace of economic development. The province's steps for reform were not expanded and its economic results were not sufficiently ideal. The province failed to clearly define the principles of spiritual civilization for guiding practical work, or to enhance political and ideological work. Tendencies to carry out formalism and dual-layer practices still exist in some fields. Although improvements have been made in party style and social practices, the masses still have complaints of some cadres abusing power for selfish ends, the unhealthy practices of trades, and leading organs' serious bureaucratic ways of doing things. We must conscientiously solve these problems over the coming new year.

Concerning the work arrangements for 1987, Quan Shuren said: We should mobilize and organize party organizations at all levels, the vast number of party-member cadres, and people of all nationalities throughout the province to work in line with the overall program of socialist modernization as set in the resolution and the requirements put forward in the Seventh 5-Year Plan; to carry forward the spirit of blazing new trails, doing solid work, and going all out to make progress; to firmly foster the idea of a commodity economy; to vigorously promote the development of reform and open work; to pay special attention to making new breakthroughs in enlivening large and medium-sized enterprises and accelerating the work of opening Liaodong peninsula to the outside world to promote the development of the eastern, western and northern parts of Liaoning Province; to further enliven the economy and accelerate the pace of conducting the technological transformation of old enterprises; to speed the development pace on the premise of ensuring increases in economic results; to solidly achieve the building of spiritual civilization and the self-construction of the party; to improve the leadership level, leadership style, and work in all fields; and to strive to score outstanding achievements to welcome the convocation of the 13th Party Congress.

Quan Shuren states that we should grasp the following few tasks over the next year:

First, we should accelerate the pace of reform and open work to promote sustained and smooth progress in the province's economic work.

Second, we should conscientiously implement the resolution of the 6th Plenary Session of the 12th CPC Central Committee to solidly attend to building a spiritual civilization.

Third, we should accomplish the tasks of party rectification from beginning to the end, strengthen the construction of grass-roots party organizations and the work of rectifying party style.

Fourth, we should improve leadership work and upgrade the democratic and scientific levels of policy decisions.

Quan Shuren set forth many specific opinions on the above-mentioned issues.

The meeting will concentrate 2 1/2 days on discussing Quan Shuren's report in groups.

PRC-TAIWAN UNOFFICIAL CONTACTS IMPROVING

HK180313 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1015 GMT 6 Dec 86

[Roundup: "Contacts Between the People on Both Sides of the Taiwan Straits Gradually Become More Frequent"]

[Text] Taiwan departments concerned recently published the names of 62 Hong Kong companies and publicly prohibited Taiwan businessmen from trading with them to prevent Taiwan products from entering Mainland China. Quite a few outsiders thus believe that the Taiwan authorities seemed to have changed their attitude toward indirect trade which has existed for years between the two sides of the Taiwan Straits, and would thoroughly prohibit indirect trade, instead of turning a blind eye to it.

However, insiders point out that these 62 Hong Kong companies are mostly trading organizations sent by Mainland China or companies with capital from China, and that the Taiwan businessmen engaged in indirect trade seldom had direct contact with them. That the Taiwan authorities listed these companies as "ones not to have contacts with" was only a trick. In fact, this trick amounts to giving permission to Taiwan manufacturers to continue their business with other companies not included on the "black list."

In fact, in addition to indirect trade, contacts between both sides of the Taiwan Straits in other economic, cultural, sports, and academic fields have become more frequent and profound.

The 2 week talks and contracts between civil aviation authorities representatives from both sides of the Taiwan Straits this year in Hong Kong, on the settlement of the CAL [China Air Lines] airliner incident, are memorable. The spirit of mutual understanding, accomodation, and cooperation displayed by the two sides in the talks has laid a good foundation for making more extensive contacts in the future, and has set a good precedent.

Since the CAL airliner incident, contacts and visits between people on both sides of the Taiwan Straits have become more frequent and public. For example, in the Asian games, held in Seoul this year, after the restoration of Taiwan's Asian Olympic Association membership, deputies from both sides of the Taiwan Straits attended the same conference and shook hands warmly extending congratulations to each other. After the Asian games, some sports reporters from Mainland China went back to Beijing from Seoul by plane, with a stopover in Taipei. At Taipei Airport they were entertained with a hospitality which deeply impressed them.

In addition, contacts between people in sports circles are no longer confined to international sports competitions. In late October, at a gathering of Chinese chess players staged by the Hong Kong Weiqi Chess Circle in honor of Mr Wu Qingyuan, the famous Weiqi sage now residing in Japan, chess players from the mainland and Taiwan met happily and had cordial conversations.

In mid-November, two biographic films produced by Mainland China and Taiwan, namely, "Dr Sun Yat-sen" and "The Founder of the Republic Story" were shown simultaneously in Hong Kong. On meeting each other, the directors of the two films commented frankly on the other party's film and the two leading actor's congratulated one another on their successful performances, thus opening up a new situation for people in film and artistic circles to make contacts.

Exchanges in other scientific, technological, and cultural circles developed more extensively. This year, many works by Taiwan writers were published on the mainland and there was a "fever of Qiong Yao novels" in some places.

In Taiwan, a selection of novels by contemporary mainland writers was published for the first time, and there was a "fever of A. Cheng novel". The two fevers added radiance and beauty to each other and reflected the feelings of the people in literature circles and readers on both sides who wish to know more about each other.

This year the Taiwan authorities still adhered to the policy of the "three no's", [no contact, no compromise, no negotiation] but, due to changes in the political situation inside and outside the island, and the strong desire of people on the island, and particularly due to the impact of the CAL airliner incident, the Taiwan authorities have gradually relaxed their control over contacts.

For example, they have decided not to interfere with indirect trade between the two sides and formulated the regulations of "four no's" including "no avoidance," on contacts between the people on both sides of the Taiwan Straits. They now allow overseas Chinese who have visited the mainland, to visit their relatives in Taiwan and tour the island (they were not allowed to do this in the past), and do not punish Taiwan residents who visit the mainland so severely as they did in the past. According to a recent report in a Taiwan newspaper, nearly, 100,000 Taiwan residents go to the mainland every year to visit their relatives and to tour.

Nevertheless, due to restrictions in the established self-closed policy on relations between the two sides of the Taiwan Straits, these limited openings still give no consideration to people's feelings and cannot meet their minimum desire and longing for their relatives and hometown. It is due to this that such reports as the Taipei mayor flatly refusing the residents' desire to display China's "national treasure" panda in Taipei Zoo, and Taiwan merchants smuggling native and local Mainland Chinese products were often seen in Taiwan newspapers. These ill-performed moves are not harmonious to the gradually improving relations between the two sides of the Taiwan Straits today.

It is hoped that with the gradual opening of the political situation in Taiwan and the increasingly normal contacts between the two sides of the Taiwan Straits, these things, which are a humiliation to the Chinese and look ridiculous to foreigners, will become a thing of the past very soon.

COMMENTARY FINDS U.S. MEDIA ON IRAN SALES PUZZLING

OW161443 Taipei CNA in English 1406 GMT 16 Dec 86

[Text] Taipei, Dec. 16 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "The Iran Affair".

Normally we don't go poking our nose into the domestic affairs of other countries. But the simmering Iran arm sales affair in the United States has got us too curious to pass it up.

Basically, the case is more puzzling than anything else. Not because of its complexity -- the profits from arm sales to Iran being skimmed off and sent to the "contras" in Nicaragua -- but for the way the media is handling it and the way it impacts the American style of government.

First of all, it seems amazing to observers half way round the globe that one issue can hold the attention of the American public like so. Second, it seems strange that the media want to play the role of the hangman in this issue, going after administration officials, and even the President, as though they were nothing more than targets at a shooting gallery. It strikes us as an improper role for media to take on. Their handling of the affairs smacks of wrongful intent, as though they want heads to roll regardless of any national security concerns.

This is where the media in the Republic of China on Taiwan are quite different in their approach to news. In this country, the media see their main function as being couriers of information for the public. They don't exaggerate their role to include watchdog judiciary functions like the media in the U.S. Facts are the name of the game, not emotions. In this regard, some foreign observers mistake our responsible media for an unfree media. They think that because our media are not out to destroy a person a day that they can't be free. This view is totally foreign to Chinese on Taiwan.

The Iran affair also tickles foreign policy pundits here. The arm-chair generals in this country seem to give almost unanimous approval to what President Reagan tried to achieve in Iran. It can't hurt, they are saying, to try to cultivate moderates in that strategic Middle East country. And if Iran is still linked with terrorism, isn't it the right policy to try to change Iran by talking reason with those who will listen? It strikes many people in the Republic of China on Taiwan as a perfectly innocuous and well-thought out policy.

It is the fuss about how the policy was carried out that seems now to be the key issue in the affair. The media in the U.S. want to know every last detail, regardless of national security issues. The Congress wants it all out on the table as well.

Pardon us, but we just don't see how American democracy can survive without a modicum of national security secrecy. A responsible media would accept the fact that some things are better left unsaid or unwritten for the national good. It is impossible for any nation to protect its freedom without some secrecy and without cooperation from all sectors of society to safeguard the national interest.

In hindsight, President Reagan appears to us to have made the right decision to keep the Iran arm sales secret for as long as possible. With all the fuss, we now know that a leak would have killed the project early on.



The benefits of getting hostages released and of cultivating Iranian moderates would have been lost all together. Irresponsible journalism has once again shown its ugly face, wiping out all reason in its path to selfishly feed itself.

#### MAINLAND CHINA STUDENT DEMONSTRATIONS VIEWED

OW222049 Taipei International Service in English 0200 GMT 22 Dec 86

[Text] The arrival in Free China of Chinese Communist naval pilot Cheng Tsai-tien comes on the heels of the week-long student demonstrations on the Chinese mainland.

At his press conference in Taipei Friday night, pilot Cheng pointed out that freedom and democracy are nonexistent. Apparently several thousand daring students back on the mainland agree with him. Demonstrations first took place in the central mainland cities of Hefei and Wuhan. In Hefei, students took to the street in a peaceful march which ended up on the steps of provincial government headquarters. The students demanded more democracy and specifically wanted a role in the selection of students' representatives in the provincial government. Foreign wire reports indicated that the police did not try to block the students and that the demonstrations ended peacefully when communist officials said they would consider the students' requests.

Words of the daring and the extremely rare demonstration in Hefei spread quickly to other central cities. Within 2 days, students in Wuhan also took to the street to demand more democracy and freedom. The protest escalated drastically when the students at Peking University got into the act. They erected posters on campus that unabashedly criticized the communist government for its undemocratic and totalitarian way. Students also formed discussion groups to air views to get their messages across more effectively. Wire reports indicated that the posters were torn down but no other actions were taken against the students.

The new calls for greater freedom and the introduction of democracy on the Chinese mainland recall the days of the Peking Spring with mass protests and the establishment of Democracy Wall upon which people placed posters supporting freedom of expression and democracy. The Peking Spring lasted for several months but came to an abrupt end in 1979 when the communists decided enough was enough. The founders of the Democracy Wall were jailed and the movement stopped dead in its track.

The recent demonstrations are said to be sanctioned by high-ranking communist officials who want to embarrass the opponents of Teng Hsiao-ping and his reformist policy. Expert China watchers say the fact that police have so far tolerated the demonstration indicated that someone at the top is giving a blessing to them. This person may be Teng Hsiao-ping himself as no one is more aware than he of the opposition to his policies that come from diehard Maoists in the Communist Party. But Teng is no lover of freedom and democracy himself. But he has proved his point to the leftists he will no doubt crack down on the students' protests before things go too far. What we may be witnessing on the China mainland is another one of the infamous period where a hundred flowers are permitted to bloom, after which they are cut down for growing too much.

HONG KONG

HONG KONG SAID USED AS CONDUIT FOR CONTRA AID

HK230345 Hong Kong HONGKONG STANDARD in English 23 Dec 86 p 1

[By Peter Loke]

[Text] Hong Kong has become a transshipment point for thousands of tonnes of insecticides and fertilisers to the contra rebels battling the Nicaraguan government, believed to be for use in the home manufacture of explosives.

Intelligence sources indicate that the purchases were made by "frontmen" representing various interests including the Americans and groups backing the contras.

In just under nine months of the current year, more than 10 shipments with a total value of almost \$9 million had passed through Hong Kong bound for Nicaragua. This is confirmed in the published trade statistics put out by the Hong Kong Government.

It is also believed to be the first time that the contras or its supporters worldwide have used Hong Kong as a port to ship its requirements.

But few, if any, of the shipments have landed in a Nicaraguan port, according to shipping sources.

These sources said most were off-loaded in other Central American ports for shipment overland to Nicaragua.

Sources said these were indications of the growing sympathy gained by the contras from various people or groups in Asia, encouraged by the support given by the Americans.

The STANDARD was told that local exporters were given orders by a variety of individuals regarding shipping arrangements. Letters of Credit were drawn from various banking institutions in other southeast Asian countries.

Why Hong Kong? Sources said the answer was simply because the territory is a free port for the export or re-export of goods to any country in the world without any restrictions brought about by political circumstances.

The only requirement which an exporter has to abide with here in Hong Kong is a full declaration of the type of goods being exported and the country of destination. In extreme cases, certain sensitive items are barred from being re-exported to communist countries. Insecticides and fertilisers are definitely not in this category.

According to sources, Hong Kong is a favoured place for countries wishing to acquire essential goods without raising too much interest or facing embarrassing situations.

In the early seventies, Taiwan importers used to purchase millions of dollars worth of herbal medicine from China through Hong Kong.

During those years, before bilateral relations took a turn for the better, Indonesia also acquired large amounts of rice from China through re-exports from the territory.

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Dec. 24 1986

